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Advanced Education and Technology

Annual Report
2010-11

Government of Alberta

For more information, contact:

Alberta Advanced Education and Technology
Communications

mail 5th Floor, Phipps-McKinnon Building
10020 101A Ave
Edmonton, Alberta T5J 3G2

Internet aet.alberta.ca/annualreports

phone 780-422-5400 (Edmonton)
toll free 310-0000 (other Alberta locations)
fax 780-422-1263

Deaf callers with TTY equipment
phone 780-427-9999 (Edmonton)
toll free 1-800-232-7215 (other Alberta locations)

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Advanced Education and Technology

Annual Report 2010-11

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta contains Ministers' accountability statements, the consolidated financial statements of the Province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Advanced Education and Technology contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry including the Department of Advanced Education and Technology, regulated funds, provincial agencies, and Crown-controlled corporations for which the Minister is responsible, and**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.**

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2011 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 8, 2011 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by
Greg Weadick
Minister of Advanced Education and Technology

Message from the Minister

If Alberta's past was defined by our natural resources, our future will be defined by our human resources. Advanced Education and Technology is at the forefront of this shift. Over the past year, we took important steps toward building a more educated population and a more diversified knowledge-driven economy.

We started by creating greater connections between Campus Alberta and the Alberta Innovates system, implementing collaborative planning processes to support greater system-wide cooperation. These planning processes, along with new initiatives like Alberta's Health Research and Innovation Strategy and Campus Alberta Administration, provided clear goals, greater efficiencies and new avenues of collaboration both with, and amongst, our key stakeholders and partners.

Collaboration, with our public post-secondary institutions, industry, research partners and across government, was also at the core of many of the past year's accomplishments. For example, collaboration between the University of Alberta and other partners led to the establishment of the Li Ka Shing Institute of Virology. This institute will advance education and research into the effects of viral infections such as hepatitis and H1N1 on human health and society.

In addition to improving our Campus Alberta system, we also worked hard to improve student access to it. One of the most significant projects we are undertaking is improving our Students Finance program to modernize automated services and to make the program less complex so that learners can navigate services with greater ease. We also continued to attract, inspire and support our best and brightest students by awarding over $70 million in scholarships.

To ensure that Alberta has a skilled workforce to meet present and future demands, we collaborated with the Alberta Apprenticeship and Industry Training Board, Skills Canada Alberta and other stakeholders to build awareness of the skilled trades and enhance Alberta's productivity. We also continued to provide opportunities for Albertans to develop literacy and English language skills by providing funding to community-based organizations across the province.

Our province's ability to compete on the global stage will depend on our ability to find solutions to some of society's greatest challenges. With that in mind, we made significant progress to better leverage our research and innovation system and ensure that our Campus Alberta system and Alberta Innovates corporations work in tandem.

The world economy is changing and our Ministry, together with our stakeholders, partners and agencies, remains committed to ensuring Alberta remains an economic leader in Canada.

original signed by
Greg Weadick
Minister of Advanced Education and Technology

Management's Responsibility for Reporting

The Ministry of Advanced Education and Technology includes:

- the Department of Advanced Education and Technology,
- the Access to the Future Fund,
- the Alberta Enterprise Corporation,
- Alberta Innovates – Bio Solutions,
- Alberta Innovates – Energy and Environment Solutions,
- Alberta Innovates – Health Solutions,
- Alberta Innovates – Technology Futures, and
- Public Post-Secondary Institutions.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Advanced Education and Technology. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and with the sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise, and the Minister of Advanced Education and Technology any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

original signed by
Annette Trimbee
Deputy Minister of Advanced Education and Technology

June 8, 2011

Results Analysis

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Ministry Overview

Advanced Education and Technology leads the development of Alberta's knowledge-driven future through a dynamic and integrated advanced learning and innovation system. The Ministry recognizes that people are the foundation for idea creation, competitiveness, growth and social well-being, and therefore focuses on the linked needs of learners, researchers and entrepreneurs.

Advanced Education and Technology provides strategic leadership for Alberta's advanced learning and innovation system, and engages learners, industry and community in learning opportunities by:

- Building a globally-recognized, quality advanced learning system. The Ministry funds advanced learning providers, maintains quality assurance, supports flexible learning pathways, and connects Campus Alberta system partners so the advanced learning system remains responsive to learner, social and economic needs.
- Creating a learner-centred, affordable and accessible advanced learning system. The Ministry funds spaces at post-secondary institutions and raises awareness about lifelong learning opportunities, provides financial support to students, rewards student excellence through scholarships, and supports community adult learning and literacy.
- Supporting excellence in research, innovation and commercialization in the province. The Ministry coordinates, funds and promotes research and innovation in key areas of bio-industries, energy and environment, and health. The Ministry also supports the creation and establishment of new technology companies and investments in key emerging industries.

The Ministry's mandate will be achieved in collaboration with Campus Alberta and Alberta Innovates partners and stakeholders through a coordinated and responsive advanced learning and innovation system.

Alberta Innovates consists of the Alberta Research and Innovation Authority, and four provincially-funded corporations: Alberta Innovates – Bio Solutions, Alberta Innovates – Energy and Environment Solutions, Alberta Innovates – Health Solutions, and Alberta Innovates – Technology Futures. Alberta Innovates collaborates with the Alberta Enterprise Corporation, key innovation support agencies, publicly-funded post-secondary institutions, industry and government.

Campus Alberta consists of the publicly funded post-secondary institutions and the apprenticeship and industry training system, and collaborates with private institutions, community-based organizations, industry and Alberta Innovates.

Together, Campus Alberta and Alberta Innovates:

- develop and sustain a globally-competitive, collaborative advanced learning and innovation system;
- deliver quality, accessible and affordable lifelong learning opportunities;
- form the foundation for research and innovation;
- respond to learner, economic and social needs, supporting Alberta's quality of life and economic competitiveness; and
- leverage Alberta's strengths in priority areas to attract international collaborations and investments and diversify the provincial economy.

The Ministry collaborates with learning providers, advisory boards, councils and authorities, and innovation support agencies to fulfill its mandate of creating accessible, affordable, quality learning opportunities and fostering support for innovation and commercialization activities.

Entities included in Ministry Financial Statements

Ministry	Department of Advanced Education and Technology		
	Funds and Corporations		Access to the Future Fund
			Alberta Enterprise Corporation
			Alberta Innovates – Bio Solutions
			Alberta Innovates – Energy and Environment Solutions
			Alberta Innovates – Health Solutions
			Alberta Innovates – Technology Futures
	Public Post-Secondary Institutions	*Comprehensive Academic and Research Institutions*	University of Alberta
			University of Calgary
			University of Lethbridge
			Athabasca University
		Baccalaureate and Applied Studies Institutions	Grant MacEwan University
			Mount Royal University
		Polytechnical Institutions	Northern Alberta Institute of Technology
			Southern Alberta Institute of Technology
		Comprehensive Community Institutions	Bow Valley College
			Grande Prairie Regional College
			Keyano College
			Lakeland College
			Lethbridge College
			Medicine Hat College
			NorQuest College
			Northern Lakes College
			Olds College
			Portage College
			Red Deer College
		Specialized Arts and Culture Institutions	Alberta College of Art + Design
			The Banff Centre

For more information on the Ministry of Advanced Education and Technology, see **aet.alberta.ca**.
Websites for Funds and Corporations are listed on page 94.
Websites for Public Post-Secondary Institutions are listed on page 94.

Advisory Boards, Councils and Authorities

Access Advisory Council
Alberta Apprenticeship and Industry Training Board
Alberta Council on Admissions and Transfer
Alberta Research and Innovation Authority
Campus Alberta Quality Council
Students Finance Board

Websites for these entities are listed on page 94.

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the *Ministry of Advanced Education and Technology's 2010-11 Annual Report*. These performance measures are the responsibility of the Ministry and are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my office by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's 2010-11 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

original signed by
Merwan N. Saher, CA
Auditor General

May 3, 2011
Edmonton, Alberta

Discussion and Analysis of Results

Core Business 1 **Provide strategic leadership for Campus Alberta**

Goal 1 **A globally recognized, quality advanced learning system meets the needs of Alberta**

Performance Measures		Previous Years' Results				Current	*Target*	Endnotes
International visa students registered at Alberta post-secondary institutions *indicates the province's success in attracting international students.*		9,042 2005-06	9,430 2006-07	9,804 2007-08	11,840 2008-09	12,614 2009-10	*11,500* △	A B
Percentage of transfers where post-secondary graduates with prior learning had received the transfer credit they expected *indicates the ability of the advanced learning system to help students achieve desired outcomes. Additionally, the measure offers insight into collaborative transfer arrangements between Alberta's post-secondary institutions.*		n/a[1]	87% 2007-08	n/a[1]	88% 2009-10	n/a[1]	*n/a* ○	C D E
Satisfaction of recent post-secondary graduates with the overall quality of their educational experience *indicates the system's ability to help students achieve desired outcomes. This is one of the indicators used by the Ministry to assess institutional performance.*		n/a[1]	91% 2007-08	n/a[1]	91% 2009-10	n/a[1]	*n/a* ○	C D
* **Satisfaction of recent apprenticeship graduates with:** *indicates the quality of the apprenticeship training system and its ability to meet learner needs in terms of relevancy of the training content, teaching ability of instructors, adequacy of equipment, and whether the training is current and up-to-date with trade practices.*	**on-the-job training**	93% 2006-07	n/a[2]	92% 2008-09	n/a[2]	91% 2010-11	*90%+* ✓	C D
	technical training	94% 2006-07	n/a[2]	94% 2008-09	n/a[2]	93% 2010-11	*90%+* ✓	

* ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General***

The performance measures indicated with an asterisk were selected for review by department management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives,
- Measures for which new data is available, and
- Measures that have well established methodology.

1 The Post-Secondary Graduate Outcomes Survey is conducted every other year.

2 The Survey of Apprenticeship Graduates is conducted every other year.

Target exceeded	△
Target met	✓
Target not met	✗
No target set	○

Targets are considered to have been met if the result falls within 5% of the target value.

Advanced Education and Technology continues to support the ongoing needs of the advanced learning system and facilitate system-wide collaboration among Campus Alberta partners. Improved coordination allows the advanced learning system to respond effectively to learner, economic and social needs by connecting education providers, learners, communities, researchers and industry.

Funding

Financial support for Campus Alberta institutions continues to be a priority for government. In 2010-11, the Ministry provided $2 billion in operating funding for post-secondary institutions, and $603 million to support expansion and preservation of post-secondary facilities: $462 million for expansion and $141 million for capital maintenance and renewal. A new approach to investment was implemented this year, focused on outcomes as the basis for funding. This approach to investment will help ensure system-wide sustainability, responsiveness and alignment.

System Alignment

An aligned advanced learning and innovation system where partners collaborate is fundamental to Alberta's future economic and social vitality. As an instrument of that collaboration and alignment, Campus Alberta Administration (CAA) was launched to identify opportunities for system-wide improvements. Three CAA subcommittees were struck to focus on international education, Aboriginal learning outcomes and common information technology solutions.

To foster the "big picture" view that helps partners work in tandem, the Ministry implemented a comprehensive institution planning model for Alberta's public post-secondary institutions to help align institutional objectives with those of the advanced learning and innovation system. The 2010 Campus Alberta Planning Framework in part articulates these objectives and informs system-wide planning by analyzing major economic, research, demographic, enrolment and mobility trends affecting education demand and capacity. Coordinated and informed planning allows the advanced learning and innovation system to be more flexible and responsive to the needs of Albertans.

Global Connections

To participate in a highly interconnected global community, Alberta's advanced learning and innovation system must coordinate its international efforts. This year, Campus Alberta partners worked together to promote Alberta's advanced learning and innovation system to Mexico, Brazil, Korea, Japan, Vietnam, India, Germany and China. The number of international visa students at Alberta's post-secondary institutions continues to climb, reaching a high of 12,614 students this year. This suggests Campus Alberta is effectively attracting top talent and making productive connections with international partners.

Quality Assurance

The Ministry's over-arching policy aim of coordination and alignment across Campus Alberta also supports quality within the system. To ensure quality in all aspects of Alberta's advanced learning system, the Ministry began work to clearly articulate quality assurance and accountability mechanisms. This initiative will help ensure the advanced learning system evolves to meet changing demands of learners, taxpayers, society and the economy. Students participating in Alberta's advanced learning system have consistently expressed high satisfaction with the quality of their training and with their overall educational experience, both in post-secondary education generally and in apprenticeship programs.

Flexible Pathways

Flexible learner pathways encourage lifelong learning by allowing students to transfer between institutions when needed. To promote student mobility, Advanced Education and Technology worked with post-secondary institutions to align curricula among discipline-specific faculties so that credit earned in one program can be more easily transferred to another program. Already, 88% of graduates with prior learning report receiving the transfer credit they expected, indicating that Alberta's advanced learning system continues to support students in achieving their learning outcomes.

Labour Demand

Alberta's apprenticeship and industry training system is a key mechanism to meet labour market demand. Nationally and internationally, this system is regarded as a leader for its quality, flexibility and collaborative approach. For over 50 designated trades and occupations, industry sets training and certification standards, government provides a legislative framework and administrative support, employers provide on-the-job training, and technical institutes, colleges and other providers deliver technical training. To further build on the strengths of the system, the Ministry worked with the Alberta Apprenticeship and Industry Training (AIT) Board, Skills Canada Alberta, CAREERS: The Next Generation and stakeholders to support and build awareness of skilled trades. To allow employers to hire and train more apprentices, the AIT Board, with approval from the Minister, changed ratios in 37 trades so that all trades now have a ratio of one journeyperson to two apprentices or greater. In addition, Advanced Education and Technology continues to develop Individual Learning Modules (ILMs) in the trades. These resources increase the quality of apprenticeship technical training and can be used in the classroom, online or for self study. Currently, ILMs have been developed in 15 trades, which cover approximately 73% of the apprentices registered in the province.

Advanced Education and Technology also collaborated with other provincial government ministries to meet changing labour force needs in the province: with Health and Wellness to meet training program targets so that Albertans will have greater access to health professionals, and with Employment and Immigration to support capacity for literacy and English language training in Alberta's workforce and communities. These efforts help grow a responsive and forward-looking Campus Alberta system, one that is attuned to the province's knowledge and labour needs and supports Alberta's productivity and competitiveness.

Advanced Education and Technology has made great strides in 2010-11 to move Alberta's advanced learning and innovation system forward as a globally-recognized, quality system that meets the needs of learners, education providers, communities, researchers and industry. To support these successes, Advanced Education and Technology will continue to leverage existing investments and promote successful collaboration across the advanced learning and innovation system.

Core Business 2 **Engage the learner, industry and community in learning opportunities**

Goal 2 **A learner-centered, affordable advanced learning system accessible to Albertans**

Performance Measures	Previous Years' Results				Current	*Target*	Endnotes
Public satisfaction that adult Albertans can access education or training *indicates the accessibility and availability of advanced learning opportunities.*	79% 2006-07	79% 2007-08	79% 2008-09	75% 2009-10	78% 2010-11	*80%* ✓	C D
Proportion of recent graduates who agree that the program they graduated from was worth the financial cost *indicates the ability of the advanced learning system to help students achieve desired outcomes. Additionally, the measure offers insight into graduates' perceptions of quality and cost at Alberta's post-secondary institutions.*	n/a[1]	84% 2007-08	n/a[1]	86% 2009-10	n/a[1]	*n/a* ○	C D F
Ratio of total debt at graduation to income two years after graduation *helps indicate the overall affordability, accessibility and quality of the advanced learning system. These results reflect only graduates reporting education-related debt.*	n/a[1]	33%[2] 2007-08	n/a[1]	36%[2] 2009-10	n/a[1]	*n/a* ○	C D G
Scholarship dollars per full-time student studying in Alberta *reflects the system's ability to recognize achievement and excellence that occurs throughout the learning process.*	$296 2005-06	$305 2006-07	$327 2007-08	$406 2008-09	$399 2009-10	*$401* ✓	B H
* **Proportion of Albertans aged 18-34 participating in post-secondary education** *helps indicate Alberta's social and economic well-being since post-secondary participation correlates to employment and earning power.*	18% 2006	17% 2007	16% 2008	17% 2009	18% 2010	*18%* ✓	I
New apprentices registered (five year average) *is a key measure of the success of the system in attracting new entrants into the trades. New apprenticeship registrations are very important in addressing critical skill shortages.*	15,879 2006	17,804 2007	19,986 2008	20,755 2009	20,216 2010	*20,000* ✓	J
Aboriginal learners participating at post-secondary institutions *helps indicate the system's ability to attract diverse learners.*	7,383 2005-06	7,515 2006-07	7,511 2007-08	8,355 2008-09	8,254 2009-10	*7,850* △	B K

* ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General***

See note on page 9 for selection criteria.

1 The Post-Secondary Graduate Outcomes Survey is conducted every other year.

2 Percentages have been rounded to the nearest whole number for readability and consistency with other Graduate Outcomes Survey measures.

Target exceeded	△
Target met	✓
Target not met	✗
No target set	○

Targets are considered to have been met if the result falls within 5% of the target value.

As Alberta moves forward into an increasingly knowledge-driven future, a culture of lifelong learning is critical to maintain the province's high quality of life and competitive economy. People are the most important resource ensuring Alberta is positioned for success in a global economy.

Learner Access

In 2010-11, Advanced Education and Technology continued to foster lifelong learning in Alberta by engaging learners, community and industry in learning opportunities at many education levels and in many regions of the province. The Ministry worked with regional Comprehensive Community Institutions and Community Adult Learning Councils to implement actions from *Increasing Learner Access through System Alignment: Final Report*, coordinating activities to meet learner needs, using funds most efficiently, sharing best practices and articulating roles and responsibilities. Alberta has seen significant increases in applications to post-secondary programs across the province. The Ministry has responded to this demand, funding more than 3,500 new certificate, diploma and degree spaces at post-secondary institutions. In addition, $43 million in matching grants was provided through the Access to the Future Fund to support initiatives enhancing accessibility, affordability, and quality in Alberta's advanced learning system. The Ministry's longstanding commitment to access can be seen in the consistently high results for public satisfaction with access over the last decade.

Awareness

The Ministry continues to promote the importance and value of lifelong learning to learners, parents and educational influencers. In 2010-11, several initiatives were implemented to encourage planning for and participation in post-secondary education, including an electronic newsletter about Campus Alberta programs, events and resources, and the launch of new engagement tools for career and education planning. The Ministry is also maintaining its ongoing support for students and their families through the Alberta Centennial Education Savings (ACES) Plan, which was created in 2005 to help parents plan and save for their children's post-secondary education as early as possible.

Participation

Despite dramatic changes in the global economy, the province's post-secondary participation rate has remained relatively stable. It is important to note that while some other Canadian jurisdictions have higher post-secondary participation rates, the percentage of Albertans age 25-64 having completed a post-secondary credential was approximately 63% in 2010, remaining on par with the Canadian rate (62% in 2010), as it has done for the last decade.[1] This may be attributed to in-migration to Alberta of people who received post-secondary credentials outside the province.

Literacy

This year, Advanced Education and Technology provided $23 million to support community-based education in the province including adult and family literacy, community adult learning, essential skills and English language learning opportunities. Higher literacy levels are critical to ensuring Albertans meet their full potential and contribute to a prosperous society. Alberta enjoys literacy levels above the Canadian average: in prose and document literacy, approximately 60% of Albertans have the proficiency needed for civic participation, economic independence and lifelong learning, while approximately only 52% of Canadians overall have the same proficiency.[2] However, it remains that a significant proportion of Albertans lack the literacy skills that will allow them to reach their full potential and contribute to Alberta's prosperity.

Increased literacy will help Albertans effectively and efficiently learn new skills and adopt and apply advanced information and communication technologies. Advanced Education and Technology continues to further the goals set out in *Living Literacy: A Literacy Framework for Alberta's Next Generation Economy*, and work towards improving literacy throughout the province. The Ministry collaborated with the Ministry of Employment and Immigration, the Ministry of Education and community learning providers to improve literacy supports in the province. Together, they worked to identify gaps in literacy programming province-wide, coordinate literacy activities and define adult literacy benchmarks.

Aboriginal Learning

Our province's ability to seize new opportunities depends on a population that can fully participate in society and the economy. Advanced Education and Technology has worked to support Aboriginal learners across Campus Alberta by removing barriers to learning and engaging Aboriginal Albertans in learning opportunities. This year, community learning programs included projects and programs addressing adult and family literacy and learning needs in Aboriginal communities. More than 2,500 Aboriginal people were registered in Alberta as apprentices in 2010, and 227 Aboriginal apprentices were certified in 2010, up from 153 in 2009.

1 Statistics Canada. 2010 Labour Force Survey.

2 Statistics Canada. *Building on our Competencies: Canadian Results of the International Adult Literacy and Skills Survey*. 2003. Catalogue No. 89-617-XIE.

Affordability

A key factor in keeping education accessible is maintaining an affordable advanced learning system. Advanced Education and Technology is committed to ensuring financial need is not a barrier to learning for Albertans. The Ministry awarded funding to approximately 52,800 full-time students, including $250 million in Alberta student loans and $33 million in provincial grants and bursaries.

Over the last five years, significant progress has been made to ensure students have the right supports in place to achieve their learning outcomes. Since the release of the *Affordability Framework for Post-secondary Education* in 2006, actions outlined in the plan have been implemented, and Advanced Education and Technology has built on that success, adapting and responding to learner needs.

In 2010-11, the Ministry:

- increased student aid supports for married and single parent students;
- continued its comprehensive review of the Students Finance program to modernize the system, simplify access for learners and respond to diverse learner needs; and
- continued its work with the Ministry of Employment and Immigration to align learner funding programs.

Advanced Education and Technology recognizes that the cost of education continues for graduates into their working life. In 2010, approximately 43% of graduates surveyed reported no education-related debt; however, an increasing debt-to-income ratio reported by graduates surveyed suggests earnings have not kept pace with debt levels. To help graduates manage their education-related debt after graduation, Advanced Education and Technology implemented the Repayment Assistance Plan (RAP) for provincial student loans, aligning with the federal RAP program, which allows eligible students to arrange payments in line with their earnings and family size. It is important to note that the proportion of recent graduates who were satisfied that the program they graduated from was worth the financial cost increased by 2% in 2010 to 86%.

Rewarding Excellence

The Ministry awarded approximately $70 million in scholarships to over 36,000 students in 2010-11. These included $264,700 in Registered Apprenticeship Program scholarships enabling high school students to continue their apprenticeship training. Advanced Education and Technology created the World Skills Legacy Scholarships, supporting Alberta students—including apprentices participating in provincial, national and international skills competitions—to further their post-secondary education and support their skills training.

Significant gains have been made this year to engage Albertans in lifelong learning, to ensure educational opportunities are learner-centered and to make the advanced learning system accessible and affordable. Central to the development of a knowledge-driven and innovative province is having people with the right knowledge and skills who can fully participate in society and the economy. This culture of lifelong learning and a responsive advanced learning system will position Alberta to thrive in a rapidly changing world.

Core Business 3 **Provide strategic leadership for Alberta Innovates**

Goal 3 **Excellence in research, innovation and commercialization drives Alberta's future success**

Performance Measures		Previous Years' Results				Current	*Target*	Endnotes
Total sponsored research revenue attracted by Alberta's comprehensive and academic institutions ($M) *indicates the research capability, capacity and competitiveness of these institutions, and helps the Ministry understand the province's progress in research and innovation.*		661.5 2005-06	719.3 2006-07	760.9 2007-08	791.2 2008-09	818.5 2009-10	*761* Δ	L
Total sponsored applied research revenue attracted by Alberta's baccalaureate and applied studies institutions, polytechnical institutions, comprehensive community institutions and specialized arts and culture institutions ($M). *This measure indicates the research capability, capacity and competitiveness of these institutions and helps the Ministry understand the province's progress in research and innovation.*		3.7 2005-06	5.8 2006-07	6.7 2007-08	13.4 2008-09	14.6 2009-10	*6.7* Δ	M
Graduate students studying in Alberta *is an indicator of Alberta's progress in developing a knowledge-driven economy.*		17,408 2005-06	17,744 2006-07	17,938 2007-08	18,574 2008-09	20,246 2009-10	*18,680* Δ	B N
Percentage of graduate students studying in priority areas *is an indicator of Alberta's research and innovation capacity in areas of focus.*		32% 2005-06	33% 2006-07	33% 2007-08	33% 2008-09	34% 2009-10	*33%* ✓	B O
Alberta business expenditures on research and development ($M) *provides an indication of the business climate for industrial research, which has the potential to produce innovative ideas, products and processes that can yield significant economic and social benefits for the province.*		1,122 2004	1,193 2005	1,440r 2006	1,461r 2007	1,539 2008	*1,220* Δ	P
Albertans employed by companies in priority areas: *These indicators demonstrate Alberta's economic growth and diversification into high-tech or knowledge-driven sectors.*	**number of Albertans**	127,800 2006	138,500 2007	140,100 2008	135,900 2009	134,100 2010	*135,000* ✓	I Q
	percentage of Albertans	6.8% 2006	7.1% 2007	7.0% 2008	6.8% 2009	6.6% 2010	*6.8%* ✓	
Percentage of Canadian venture capital invested in Alberta *helps indicate the capacity and capability available to support innovation and knowledge industry growth.*		1.3% 2006	2.4% 2007	5.3% 2008	7.0% 2009	6.7% 2010	*5.0%* Δ	R

r Revised – Historical data has been revised by Statistics Canada to reflect new data available on business expenditures on research and development in Alberta. Revisions shown reflect changes that are significant (greater than materiality).

Target exceeded	Δ
Target met	✓
Target not met	✗
No target set	O

Targets are considered to have been met if the result falls within 5% of the target value.

Alberta's future growth and prosperity requires a strong and sustainable research and innovation system: one that enhances research capacity, facilitates strategic investments and captures value from research. Government remains committed to fostering innovation by adopting policies to attract, develop and retain innovative knowledge-driven companies. Alberta Innovates forms the foundation for the province's successful future by building connections among industry, researchers, entrepreneurs, government and support agencies. The Ministry's role is to facilitate alignment, collaboration and investment in priority areas with Alberta Innovates and Campus Alberta for Alberta's long-term social, economic and environmental benefit.

System Alignment

Launched in January 2010, Alberta Innovates is an integral part of research and innovation activity in the province. Alberta Innovates supports the Government's priority areas, and consists of the Alberta Research and Innovation Authority, and four provincially-funded corporations:

- Alberta Innovates - Bio Solutions,
- Alberta Innovates - Energy and Environment Solutions,
- Alberta Innovates - Health Solutions, and
- Alberta Innovates - Technology Futures.

Advanced Education and Technology has built upon this framework over the last year with significant programs and policies strengthening research capacity, coordinating planning and prioritizing investments for the benefit of Albertans. In 2010, the Ministry provided $203 million in funding to the Alberta Innovates corporations.

To align research and innovation programs and investments with Government of Alberta priorities, the Ministry worked with Alberta Health and Wellness to launch Alberta's Health Research and Innovation Strategy. This strategy will shape the direction of health research in the province through research programs at post-secondary institutions, Alberta Innovates corporations and Alberta Health Services. The Ministry also implemented collaborative planning processes with Alberta Innovates corporations and the Portfolio Advisory Committee (representing seven Government of Alberta ministries) that will guide innovation in bio-industries, energy and environment, health and technology commercialization. Together, these planning and strategy initiatives will provide vital guidance to move the innovation system forward in a focused, coordinated way.

Research Excellence

Supporting research excellence demonstrates the government's commitment to building an innovative and competitive province. Advanced Education and Technology has made valuable progress this year in establishing innovation centres and programs in the province to further research and innovation priorities. These include investments in two agricultural research centres through Alberta Innovates – Bio Solutions.

The launch of the Li Ka Shing Institute of Virology at the University of Alberta was a truly significant event this year. Supported by a $25 million grant from the Li Ka Shing Foundation (Canada), and a $52.5 million investment over ten years by the Government of Alberta and Alberta Innovates, the institute is conducting research that could lead to the development of new drugs, vaccines and diagnostic tests that would enhance human health worldwide. The institute will also recruit researchers providing world-class learning opportunities to talented graduate and undergraduate students in virology and related disciplines.

To continue to attract and retain promising and established researchers, the Ministry awarded $7.2 million through the Small Equipments Grants Program. It is worth noting that our post-secondary institutions are attracting increased amounts of sponsored revenue for fundamental and applied research. Over the last five years, sponsored research revenue attracted by comprehensive academic and research institutions has consistently increased, as has sponsored applied research revenue attracted by colleges and technical institutes. As well, the number of graduate students studying in Alberta has risen consistently over the last five years, suggesting that Alberta's post-secondary institutions are providing valuable opportunities for new researchers.

Investment and Commercialization

Advanced Education and Technology continues to foster business opportunities, attract investment, and support research and its application in priority areas, following the long-term vision outlined in *Alberta's Action Plan: Bringing Technology to Market*. The Ministry's ongoing research and commercialization programs have continued to make progress this year.

While Alberta's economy remains vulnerable to global shifts in demand and commodity prices, government can play a key role in promoting economic diversification and developing an entrepreneurial spirit. To help knowledge-driven businesses thrive, the province requires policies that attract innovative companies and venture capital investment. To that end, the Alberta Enterprise Corporation invests in technology venture capital funds that finance early-stage, knowledge-driven companies and connects with entrepreneurs, experienced managers and investors to build Alberta's investment and entrepreneur communities. In 2010, the Alberta Enterprise Corporation launched a strategy to fund Alberta managers of venture capital investment funds and led a group of technology sector industry leaders in developing new networks for venture capital investors and tech entrepreneurs.

The Alberta Innovates Connector Service was implemented to help businesses, entrepreneurs, researchers, investors and service providers connect with the resources and contacts they need to develop business and research projects. In 2010-11, the Connector Service responded to over 800 inquiries. The Ministry also worked with Alberta Innovates – Technology Futures to build on the successful Alberta Innovation Voucher Program by launching a pilot to include international organizations as service providers. The program provides small technology-driven companies with vouchers redeemable for up to $50,000 worth of services at high-tech facilities and access to business development expertise. Expanding this program to the global arena will significantly broaden the range of services accessible to entrepreneurs, including specialized services at international labs and scientific centres. To further enhance economic benefits and commercialization of technologies, the Ministry established two centres to accelerate the commercialization of research in geomatics (gathering, storing, processing, and delivering geographic information) and health technology applications.

Collaboration

Advanced Education and Technology has made important progress this year in establishing research and commercialization agreements with national and international organizations, companies and governments. These include agreements with Johnson & Johnson, General Electric Canada, and Defence Research Development Canada to explore collaborative opportunities in health research and innovation, establish new technology centres in Alberta, and support a range of technology and business development projects. Notably, business expenditures on research and development in the province increased from $1,461 million to $1,539 million. The Ministry also made significant efforts to connect internationally with research, education, and industry partners in China, Hong Kong, Singapore, Germany, France, Switzerland, Finland, Northern Ireland, Mexico and the United States.

Alberta's coordinated research and innovation system has made significant progress this year in driving excellence in research, innovation and commercialization in Alberta. The Ministry's vision of Alberta as a centre for learning and innovation is a cornerstone of the province's future success in a knowledge-driven economy. By working together with Alberta Innovates corporations, Campus Alberta partners, the Alberta Research and Innovation Authority, and government and industry partners to develop focused investment in research and innovation, the province is well positioned to derive significant economic, social and environmental benefits for Albertans.

Financial Highlights

The consolidated Ministry Financial Statements include:

- the Department of Advanced Education and Technology,
- the Access to the Future Fund,
- the Alberta Enterprise Corporation,
- Alberta Innovates Corporations, and
- Alberta Public Post-Secondary Institutions.

Revenue

(in thousands)

	2011 Actual	2010 Actual
Transfers from Government of Canada	$ 936,356	$ 942,104
Internal Government Transfers	509,305	482,014
Tuition and Non-credit Courses	936,140	840,854
Sales, Rentals and Services	655,122	658,246
Grants and Contributions	369,649	296,053
Other Revenue	126,224	127,608
Total	$ 3,532,796	$ 3,346,879

Revenue increased $186 million from the prior year, primarily due to increased revenue at public post-secondary institutions in the areas of Donations and Contributions and Tuition and Non-credit Course revenue.

Expenses by Function

(in thousands)

	2011 Actual	2010 Actual
Education	$ 4,932,920	$ 4,845,939
Agriculture, Research Management and Economic Development	199,309	193,579
Total	$ 5,132,229	$ 5,039,518

Expenses increased $92 million from the prior year, primarily due to increased salary and wage and supplies and services costs at post-secondary institutions.

Ministry of Advanced Education and Technology

Consolidated Financial Statements

March 31, 2011 *Audited Information*

Auditor's Report

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2 **Consolidated Expenses Directly Incurred Detailed by Object**

3 **Consolidated Reconciliation of Budget with Actuals**

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8 **Entities Included in the Consolidated Financial Statements**

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Advanced Education and Technology, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Advanced Education and Technology as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by
Merwan N. Saher, CA
Auditor General

June 9, 2011
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2011

(in thousands)

	2011 Actuals	2010 Actuals (Restated)
Revenues (Schedule 1)		
Internal Government Transfers	$ 509,305	$ 482,014
Transfers from Government of Canada	936,356	942,104
Investment Income	115,043	110,557
Premiums, Fees and Licenses	4,638	7,022
Tuition and Non-Credit Courses	936,140	840,854
Sales, Rentals and Services	655,122	658,246
Donations, Grants and Contributions	369,649	296,053
Other Revenue	6,543	10,023
	3,532,796	3,346,873
Expenses – Directly Incurred (Note 2b and Schedules 2 and 5)		
Public Post-Secondary Institutions	4,585,503	4,498,270
Alberta Innovates Corporations	162,398	153,870
Alberta Enterprise Corporation	1,191	1,111
Department and Access to the Future Fund		
Support for Adult Learning	283,109	281,000
Apprenticeship Delivery	29,864	32,042
Alberta Centennial Education Savings Plan	15,359	16,782
Research and Innovation Capacity	13,545	12,653
Technology Commercialization	11,959	16,419
Ministry Support Services	29,301	27,365
Ministry Expense	5,132,229	5,039,512
Write-down of Tangible Capital Assets	2,180	861
Loss on Disposal of Tangible Capital Assets	8,080	2,340
Ministry Net Operating Results	$(1,609,693)	$(1,695,840)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at March 31, 2011 *(in thousands)*

	2011	2010 (Restated)
Assets		
Cash and Temporary Investments (Schedule 6)	$ 2,527,580	$ 2,418,738
Accounts Receivable and Other Assets (Note 3)	384,207	381,784
Portfolio Investments (Schedule 7)	2,161,150	2,179,308
Loans Receivable (Note 4)	438,298	320,703
Tangible Capital Assets (Note 5)	6,709,942	5,777,138
Inventory	41,693	40,703
Prepaid Expenses	35,318	35,117
	$ 12,298,188	$ 11,153,491
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 699,579	$ 745,604
Unearned Revenue (Note 7)	1,039,035	909,711
Other Long Term Liabilities (Note 8)	715,531	642,660
Accrued Pension Benefits (Note 14)	217,755	208,755
	2,671,900	2,506,730
Net Assets		
Opening Net Assets	8,646,761	7,750,698
Net Operating Results	(1,609,693)	(1,695,840)
Increase in Endowments (Note 12)	43,443	100,504
Net Financing Provided from General Revenues	2,545,777	2,491,399
Net Assets at End of Year	9,626,288	8,646,761
	$ 12,298,188	$ 11,153,491

Contractual Obligations and Contingent Liabilities (Notes 9 and 10)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31, 2011 *(in thousands)*

	2011	2010 (Restated)
Operating Transactions		
Net Operating Results	$(1,609,693)	$(1,695,840)
Non-cash Items included in Net Operating Results		
Amortization	378,714	362,454
Write-down of Portfolio Investments	1,189	5,174
Write-down of Tangible Capital Assets	2,180	861
Adjustment to Tangible Capital Assets	12,701	—
Loss on Disposal of Tangible Capital Assets	8,080	2,340
Donation of Capital Assets	(58,026)	(28,900)
Loss on Investment in Government Business Enterprise	—	(87)
Valuation Adjustments		
Provision for Employee Future Benefits	9,000	64,663
Provision for Future Cost of Student Loans Issued	89,084	61,421
Provision for Vacation Pay and Other Provisions	(197)	590
	(1,166,968)	(1,227,324)
Increase in Accounts Receivable	(2,423)	(1,344)
Increase in Prepaid Expenses	(201)	(8,649)
Increase in Inventory	(990)	(3,424)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(45,575)	105,855
Increase in Unearned Revenue	129,324	86,210
Cash Applied to Operating Transactions	(1,086,833)	(1,048,676)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 5)	(1,278,957)	(1,190,620)
Capital Assets Transferred Out	1,229	3,274
Proceeds from Disposal of Tangible Capital Assets	1,612	2,198
Cash Applied to Capital Transactions	(1,276,116)	(1,185,148)
Investing Transactions		
Net Change in Loans Receivable	(206,932)	(126,934)
Decrease (Increase) in Portfolio Investments	16,969	(202,019)
Cash Applied to Investing Transactions	(189,963)	(328,953)
Financing Transactions		
Net Financing Provided from General Revenues	2,545,777	2,491,399
Increase in Endowments (Note 12)	43,443	100,504
Debt Issues	98,797	102,268
Debt Retirement	(25,926)	(44,715)
Other	(337)	(795)
Cash Provided by Financing Transactions	2,661,754	2,648,661
Increase in Cash and Cash Equivalents	108,842	85,884
Cash and Cash Equivalents, Beginning of Year	2,418,738	2,332,854
Cash and Cash Equivalents, End of Year	$ 2,527,580	$ 2,418,738

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2010

Note 1 Authority and Purpose

The Minister of Advanced Education and Technology has been designated as responsible for various Acts by the *Government Organization Act*, Chapter G-10, revised Statutes of Alberta 2000 and its regulations. Below are the organizations that form the Ministry of Advanced Education and Technology and the authority under which each organization operates. Schedule 8 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Advanced Education and Technology	*Government Organization Act*
Access to the Future Fund	*Access to the Future Act*
Alberta Enterprise Corporation	*Alberta Enterprise Corporation Act*
Alberta Innovates Corporations	*Alberta Research and Innovation Act*
Public Post-Secondary Institution	*Post-secondary Learning Act*

In support of Alberta's vision, Advanced Education and Technology's purpose is to assist Alberta to be a learning and innovative society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Advanced Education and Technology, for which the Minister of Advanced Education and Technology is accountable. The accounts of the Department are fully consolidated with the entities listed in Schedule 8 on a line-by-line basis. Revenue and expense, capital, investing and financing transactions and related asset and liability accounts between the consolidated entities have been eliminated. The threshold for recognizing inter-entity transactions among SUCH sector entities (Schools, Universities, Colleges and Hospitals) and between SUCH sector entities and other government controlled entities is $1,000,000 for particular transaction types and balances.

The year-end of the Access to the Future Fund, Alberta Enterprise Corporation, Alberta Innovates Corporations, University of Alberta, University of Calgary, University of Lethbridge, Athabasca University and the Banff Centre is March 31.

The year-end for colleges, technical institutes, Grant MacEwan University and Mount Royal University is June 30. Transactions of these organizations that have occurred between the period July 1, 2010 to March 31, 2011, and that significantly affect the consolidated accounts, have been recorded.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue. Externally restricted revenue is recognized as revenue in the period in which the resources are used for the purpose specified. Funds received prior to meeting the criterion are recorded as unearned revenue until the resources are used for the purpose specified.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal transfers are recognized as revenue in the period in which the resources are used for the purpose specified. Payments received prior to meeting this criterion are included in accounts payable until the resources are used for the purpose specified.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for. In addition to program operating expenses such as salaries and supplies, directly incurred expenses also include:

- amortization of tangible capital assets.
- inventory consumed.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to Universities Academic Pension Plan, student loans and vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedules 4 and 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

Temporary investments are valued at the lower of cost or market.

Portfolio investments are recorded at cost. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major enhancements is $100,000. The threshold for all other tangible capital assets is $5,000 and $1,000 as determined by the entities. All land is capitalized.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Expenses for patents owned by the Ministry as a result of research activity are not capitalized due to the uncertain value of benefits that may accrue to the Ministry.

Expenses on the acquisition or development of other intangible assets including intellectual capital are not capitalized as currently there is no acceptable methodology for measuring the value of future benefits accruing to the Ministry.

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Post-secondary institutions have collections consisting of historical artifacts and provincial, national and international works of art. The value of these collections $154,742,000 (2010 - $152,389,000) is not recognized in the financial statements.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities and unearned revenue are estimated to approximate their carrying values because of the short term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. The fair values of loans receivable and liability for student loans issued are not reported as there is no organized financial market for these instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Payments under Reciprocal and Other Agreements

The Ministry entered into agreements with the Federal Government to provide services on its behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the Federal Government and are not included in these consolidated financial statements. Amounts paid and recovered under agreements are disclosed in Note 11.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are:

- the allowance for loan relief completion payments of $112,564 (2010 - $71,788),
- the allowance for impaired loans amounting to $42,525 (2010 - $36,499),
- the liability for student loans issued amounting to $1,526 (2010 - $1,691) and
- the allowance for loan subsidy amounting to $24,604 (2010 - $18,068).

The Ministry has made certain estimates in the following areas:

- Completion rates and the number of students exceeding their maximum debt limit in the determination of the allowance for loan relief completion payments.
- Recovery and default rates in the determination of the allowance for impaired loans.
- Future interest, and student loan amortization periods in the determination of the allowance for loan subsidy.
- Future interest, recovery and default rates in the determination of the liability for student loans.

With respect to the Universities Academic Pension Plan, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2011 extrapolated results. Assumptions include an amortization period based upon the estimated average remaining service life of approximately 11.3 years (2010 - 11.3 years), a discount rate of 6.5% (2010 - 6.9%), an inflation rate of 2.25% (2010 - 2.25%) and a salary escalation rate of 3.5% (2010 - 3.5%).

Changes in these estimates could materially impact the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy, the liability for student loans issued and the unfunded liability for the Universities Academic Pension Plan.

Government Endowment Funds for Research and Scholarships

(in thousands)

The Alberta Heritage Foundation for Medical Research Endowment Fund was continued under the Alberta Research and Innovation Act for the purpose of supporting medical research. The Alberta Heritage Science and Engineering Research Endowment Fund was also continued under the Alberta Research and Innovation Act for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the Alberta Heritage Scholarship Act for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Finance and Enterprise controls these endowments; however, the Ministry of Advanced Education and Technology has an economic interest in the endowments as they assist in funding Ministry programs. Additional information on these endowments can be found in the financial statements for Alberta Finance and Enterprise.

	Net Assets			
	2011		2010	
	Value at Cost	Market Value	Value at Cost	Market Value
Alberta Heritage Foundation for Medical Research Endowment Fund	$ 1,263,857	$ 1,343,638	$ 1,248,898	$ 1,287,950
Alberta Heritage Science and Engineering Research Endowment Fund	726,812	768,594	707,886	728,419
Alberta Heritage Scholarship Fund	720,740	755,030	692,303	712,637
	$ 2,711,409	$ 2,867,262	$ 2,649,087	$ 2,729,006

Restatement of Comparative Figures

(in thousands)

The 2010 figures have been restated as a result of a change in presentation and a program transfer. The net effect of these restatements is a $201 increase in the net operating results for 2009-10.

Note 3 Accounts Receivable and Other Assets

(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
				(Restated)
Accounts Receivable	$ 365,779	$ (5,195)	$ 360,584	$ 361,071
Other Assets	23,623	—	23,623	20,713
	$ 389,402	$ (5,195)	$ 384,207	$ 381,784

Accounts receivable are unsecured, non-interest bearing and reported at their net realizable value.

Note 4 Loans Receivable

(in thousands)

	2011	2010
Loans Receivable	$ 617,991	$ 447,058
Less:		
Allowance for Loan Relief Completion Payments	(112,564)	(71,788)
Allowance for Impaired Loans	(42,525)	(36,499)
Allowance for Loan Subsidy	(24,604)	(18,068)
	$ 438,298	$ 320,703

Under the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students on terms prescribed by the Minister of Advanced Education and Technology.

Loans become payable and interest is earned when students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

The allowance for loan relief completion payments is a provision that estimates the amount of loans receivable that will be forgiven through loan relief completion payments.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Ministry does not receive interest payments over the term of the loans to fully cover the Ministry's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

Note 5 Tangible Capital Assets

(in thousands)

	2011							2010
	Land	Building	Land Improvement	Equipment [3]	Computer Hardware and Software	Other [4]	Total	Total
Estimated Useful Life		3-50 years	10-40 years	1-25 years	1-25 years			
Historical Cost [1]								
Beginning of year	$ 197,539	$ 6,821,941	$ 22,656	$ 1,564,791	$ 855,099	$ 586,166	$ 10,048,192	$ 8,889,723
Additions [2]	48,759	945,654	1,977	220,237	66,355	54,002	1,336,984	1,219,520
Transfers	—	—	—	(1,258)	—	29	(1,229)	(3,274)
Disposals, including write-downs	—	(10,924)	—	(36,572)	(28,259)	(3,748)	(79,503)	(58,106)
Adjustments [5]	15	(1,949)	19	(26,723)	(4,067)	2,590	(30,115)	329
	246,313	7,754,722	24,652	1,720,475	889,128	639,039	11,274,329	10,048,192
Accumulated Amortization								
Beginning of year	—	2,232,754	6,227	933,288	710,162	388,623	4,271,054	3,963,100
Amortization expense	—	148,504	397	131,618	59,123	39,072	378,714	362,454
Effect of disposal including write-downs	—	(9,416)	—	(29,371)	(25,524)	(3,658)	(67,969)	(52,745)
Adjustments [5]	—	521	644	(18,518)	(697)	638	(17,412)	(1,755)
	—	2,372,363	7,268	1,017,017	743,064	424,675	4,564,387	4,271,054
Net Book Value at March 31, 2011	$ 246,313	$ 5,382,359	$ 17,384	$ 703,458	$ 146,064	$ 214,364	$ 6,709,942	
Net Book Value at March 31, 2010	$ 197,539	$ 4,589,187	$ 16,429	$ 631,503	$ 144,937	$ 197,543		$ 5,777,138

(1) Historical cost includes work-in-progress at Marc 31, 2011 totalling $1,848,943 comprised of Building - $1,789,955, Equipment - $41,077, and Computer Hardware and Software - $16,865, Land Improvement - $50, Other - $996.

(2) Additions include donated capital assets in the amount of $58,026.

(3) Equipment includes vehicles, heavy equipment, office equipment and furniture, and other equipment.

(4) Includes leasehold improvements, library materials and asset retirement obligations.

(5) Includes adjustments for accounting policy alignments and reclassifications between capital asset categories.

Note 6 Accounts Payable and Accrued Liabilities

(in thousands)

	2011	2010 (Restated)
Accounts Payable	$ 5,530	$ 11,215
Accrued Liabilities	692,523	732,698
Liabilities for Student Loans Issued [a]	1,526	1,691
	$ 699,579	$ 745,604

(a) Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students. These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium.

Note 7 Unearned Revenue

(in thousands)

	2011	2010 (Restated)
Restricted Contributions [a]	$ 913,963	$ 787,972
Unearned Service Revenue [b]	125,072	121,739
	$ 1,039,035	$ 909,711

(a) Contributions have been restricted by third parties.

(b) Payments received prior to service being provided, primarily tuition payments, are recorded as unearned service revenue.

Note 8 Other Long Term Liabilities

(in thousands)

	Maturity	Average Interest Rate	Book Value 2011 [b]	Book Value 2010 [b] (Restated)
Debentures [a]	Up to December 2047	5.10%	$ 682,366	$ 617,232
Bank Loan	March 2016	4.11%	3,171	1,835
Mortgages	March 2016	5.13%	526	1,808
Other [c]			20,420	13,010
			706,483	633,885
Liabilities under Capital Leases [d]			9,048	8,775
			$ 715,531	$ 642,660

(a) Debentures are payable to Alberta Corporate Finance Authority.
(b) Book value approximates fair market value.
(c) Primarily includes asset retirement obligations.
(d) The calculation of the liabilities under capital leases are as follows:

	2011	2010
Liabilities, beginning of the year	$ 8,775	$ 7,282
Additions to liabilities during the year	3,410	4,218
Principal payments	(3,137)	(2,725)
Liabilities, end of year	$ 9,048	$ 8,775

Principal repayments in each of the next five years and thereafter except for pension benefits are as follows:

2011-12	$ 32,969
2012-13	28,340
2013-14	29,704
2014-15	27,913
2015-16	25,839
Thereafter	570,766
	$ 715,531

Note 9 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2011	2010
Obligations under Operating Leases, Contracts and Programs	$ 1,270,938	$ 1,626,098
Loans and Advances Approved (a)	7,526	4,998
Obligations under Capital Leases	6,508	8,775
	$ 1,284,972	$ 1,639,871

(a) Loans and Advances Approved are comprised of uncashed student loans.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	2011			
	Obligations under Operating Leases, Contracts and Programs	Loans and Advances Approved	Obligations under Capital Leases	Total
2011-12	$ 749,799	$ 7,526	$ 3,041	$ 760,366
2012-13	262,160	—	1,683	263,843
2013-14	102,836	—	1,196	104,032
2014-15	52,124	—	347	52,471
2015-16	28,761	—	40	28,801
Thereafter	75,258	—	201	75,459
	$ 1,270,938	$ 7,526	$ 6,508	$ 1,284,972

Note 10 Contingent Liabilities

(in thousands)

At March 31, 2011, the Ministry of Advanced Education and Technology was named as a defendant in 12 (2010 - 11) specific legal actions. The total claimed in 9 (2010 - 10 Restated) actions approximate $66,489 (2010 - $71,295 Restated). For the other claims, no specified amounts have yet been claimed; the amount of these claims will be determined at trial.

The resulting loss, if any, from these claims cannot be determined.

The Public Post Secondary Institutions also entered into employment contracts that included a commitment to provide or guarantee housing loans in the amount of $1,541 (2010 - $1,589).

Note 11 Payments under Agreement

(in thousands)

The Ministry has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, section 25. Accounts receivable includes $11,237 (2010 - $17,844) and accounts payable and accrued liabilities includes $7,096 (2010 - $6,524) relating to payments under agreement.

Net amounts paid and recovered under agreements on behalf of the Government of Canada:

	2011	2010
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (314)	$ 1,268
Government of Canada		
Canada Study Grants	(236)	586
Canada Access Grants	(16)	153
Canada Student Grants	72,455	61,811
French Minority Language Education and French Second Language Instruction	7,178	1,774
	$ 79,067	$ 65,592

Note 12 Endowments

(in thousands)

Endowment funds are included in net assets and are represented by financial assets amounting to $1,417,564. Donors have placed restrictions on their contributions to the endowment funds of universities and colleges. The principal restriction is that the original contribution not be spent. Other potential restrictions are that any investment income of the endowment that is required to offset the impact of inflation not be spent.

	2011	2010
Beginning Balance	$ 1,383,797	$ 1,283,293
Contributions	86,195	103,279
Capitalization of Investment Earnings	(38,706)	12,981
Net Transfers to Unrestricted Net Assets / Deferred Contributions	(4,046)	(15,756)
	$ 1,427,240	$ 1,383,797

Note 13 Trust Funds Under Administration

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements. Total net assets of trust funds under the administration of the Ministry at March 31, 2011 were $18,575 (2010 - $16,322).

Note 14

Benefit Plans

(in thousands)

Ministry Pension Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Local Authorities Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $131,983 for the year ended March 31, 2011 ($2010 - $107,109 Restated).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of $397,087 (2009 - deficiency $483,199), the Local Authorities Pension Plan reported a deficiency of $4,635,250 (2009 - deficiency $3,998,614) and the Public Service Pension Plan reported a deficiency of $2,067,151 (2009 - deficiency $1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $39,559 (2009 - deficiency $39,516).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of $4,141 (2010 - deficiency $8,335) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $7,020 (2010 - surplus of $7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

Certain consolidated entities provide defined supplementary executive retirement plans for certain management staff, and other benefit plans for all or specific groups of staff, depending on the plans. The cost of these benefits are actuarially determined on an annual basis using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. At March 31, 2011, these plans have net accrued liability of $49,529 ($2010 - $45,681 Restated).

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge, and Athabasca and Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Public Sector Pension Plans Act*.

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2009 - 1.25%) of salaries by Alberta Finance and Enterprise and the balance of the required contributions is equally split between employees and employers. Employees and employers are responsible for fully funding service after 1991.

The 2010 UAPP Annual Report identifies an unfunded liability at December 31, 2010 in the amount of $1,122,900 (2009 - $971,000). An actuarial extrapolation of this amount to March 31, 2011, adjusted for public sector reporting standards, estimates the unfunded liability at $992,934 (2009 - $924,069) and unamortized actuarial losses totalling $200,900 (2010 - $171,474). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Finance and Enterprise	Employees	Employers	March 31, 2011 Extrapolated Results	March 31, 2010 (Employers)
Pre '92	$ 315,424	$ 192,694	$ 192,694	$ 700,812	$ 646,209
Post '91	—	146,061	146,061	292,122	277,860
Total Unfunded Liability	$ 315,424	$ 338,755	$ 338,755	$ 992,934	$ 924,069

Additional information on UAPP can be found in the Annual Report of UAPP.

Total Employer Pension Liability

	2011	2010 (Restated)
UAPP		
Total Unfunded Liability	$ 338,755	$ 315,536
Actuarial Gains and Losses	(170,529)	(152,462)
UAPP Pension Liability Recorded	168,226	163,074
Supplementary Pension Plans	49,529	45,681
Total Pension Liability Recorded	$ 217,755	$ 208,755

Note 15 Derivative Contracts and Related Credit Risk

(in thousands)

The Ministry uses derivative contracts to improve investment return and to manage interest and currency risks. Derivative contracts have credit risks that could expose the Ministry to potential losses. Credit risk for derivative contracts is the risk that the counterparty will not pay its obligation when it comes due.

The following is a summary of the fair values and maturity schedules of the Ministry's derivative contracts by type, segregated contracts in a favourable and unfavourable position. Derivatives in a favourable position have positive fair values which represent amounts owed to the Ministry by counterparties.

	Maturity			Contract	Fair Values	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Favourable Position	Unfavourable Position
Forward Foreign Exchange Contracts	100%	—	—	$ 692,668	$ 7,510	$ —
Interest Rate Swap Contracts	10%	15%	75%	935	—	92
Total 2011				$ 693,603	$ 7,510	$ 92

Note 16 Comparative Figures

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

Note 17 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2011

Schedule 1 Consolidated Revenues

(in thousands)

	2011 Actuals	2010 Actuals (Restated)
Internal Government Transfers		
Lottery Fund	$ 105,000	$ 105,000
Alberta Heritage Scholarship Fund	36,721	35,836
Access to the Future Fund	48,398	48,398
Alberta Heritage Science and Engineering Research Endowment Fund	34,500	31,900
Alberta Heritage Foundation for Medical Research Endowment Fund	77,000	76,000
Alberta Innovates Corporations	16,059	6,015
Post-Secondary Institutions	191,627	178,865
	509,305	482,014
Transfers from Government of Canada		
Canada Social Transfers	526,214	531,198
Canada Student Loans Administration	3,644	3,044
Knowledge Infrastructure Program	73,260	97,690
Public Post-Secondary Institutions	333,111	309,502
Other	127	670
	936,356	942,104
Investment Income		
Interest on Student Loans Issued	7,162	4,470
Public Post-Secondary Institutions	105,112	105,021
Other	2,769	1,072
	115,043	110,563
Premiums, Fees and Licenses		
Apprenticeship Services	4,471	4,557
License Fees	157	2,447
Other	10	18
	4,638	7,022
Tuition and Non-Credit Courses		
Tuition and Non-Credit Courses	936,140	840,854
	936,140	840,854
Sales, Rentals and Services		
Sales	464,478	403,638
Ancillary Services	82,861	107,176
Contract Revenue	107,783	147,432
	655,122	658,246
Donations, Grants and Contributions		
Donations	255,570	220,348
Grants and Contributions	114,079	75,705
	369,649	296,053
Other Revenue		
Refunds of Expenditure	2,632	4,476
Miscellaneous	3,911	5,547
	6,543	10,023
	$ 3,532,796	$ 3,346,879

Schedule 2 Consolidated Expenses Directly Incurred Detailed by Object

(in thousands)

	2011 Actual	2010 Actual (Restated)
Grants	$ 430,037	$ 449,790
Salaries, Wages and Employee Benefits	2,942,619	2,872,256
Supplies and Services	1,253,228	1,203,144
Amortization of Tangible Capital Assets	378,714	362,454
Interest on Long-term Debt	30,076	26,441
Other	230	221
Valuation Adjustments		
Provision for Pension Plans	9,000	64,663
Provision for Future Costs of Student Loans Issued	89,084	61,421
Other Provisions	(509)	737
	5,132,479	5,041,127
Less:		
Recoveries from Support Service Arrangements with Related Parties (a)	(250)	(1,609)
	$ 5,132,229	$ 5,039,518

(a) The Ministry provides information technology support services to the Ministry of Employment and Immigration $250 (2010 - $1,609). Costs for these services are recovered from the Ministry.

Schedule 3 Consolidated Reconciliation of Budget with Actuals

(in thousands)

	2011				
	Authorized Budget	Actual without SUCH Sector and Research Corporations	Actual SUCH Sector and Research Corporations	Adjustments	Actual with SUCH Sector and Research Corporations
Revenues					
Internal Government Transfers	$ 301,091	$ 301,619	$ 2,627,426	$(2,419,740)	$ 509,305
Transfers from Government of Canada	627,300	603,245	276,896	56,215	936,356
Investment Income	8,850	6,916	127,916	(19,789)	115,043
Premiums, Fees and Licenses	7,420	7,069	—	(2,431)	4,638
Tuition and Non-Credit Courses	—	—	936,255	(115)	936,140
Sales, Rentals and Service	—	8	670,384	(15,270)	655,122
Donations, Grants and Contributions	—	—	507,093	(137,444)	369,649
Other Revenue	3,700	3,484	2,675	384	6,543
Total Revenues	$ 948,361	$ 922,341	$ 5,148,645	$(2,538,190)	$ 3,532,796
Expenses					
Grants	$ 3,093,789	$ 3,094,239	$ 354,079	$(3,018,281)	$ 430,037
Supplies and Services	47,427	45,188	1,218,986	(10,946)	1,253,228
Salaries, Wages and Employee Benefits	58,613	56,678	2,898,680	(12,739)	2,942,619
Amortization of Tangible Capital Assets	5,570	4,529	374,706	(521)	378,714
Financial Transactions and Other	215	205	30,101	—	30,306
Total Expenses before Recoveries	3,205,614	3,200,839	4,876,552	(3,042,487)	5,034,904
Less: Recovery from Support Service Arrangements with Related Parties	—	(250)	—	—	(250)
Valuation Adjustments					
Provisions for Pension Plans	—	—	—	9,000	9,000
Provision for Future Cost of Student Loans Issued	123,200	89,084	—	—	89,084
Other Provisions	5	(271)	(238)	—	(509)
Total Expenses	$ 3,328,819	$ 3,289,402	$ 4,876,314	$(3,033,487)	$ 5,132,229

Schedule 4

Consolidated Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties which are recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2011	2010 (Restated)
Revenues		
Grants	$ 509,305	$ 482,014
Other	128,051	62,658
	$ 637,356	$ 544,672
Expenses – Directly Incurred		
Grants	$ 15,478	$ 2,840
Other Services	68,638	65,507
	$ 84,116	$ 68,347
Tangible Capital Assets Transferred In (Out)	$ (1,229)	$ (3,274)
Receivables from	$ 15,804	$ 22,187
Payables to	$ 21,846	$ 7,324
Unearned Revenue	$ 173,391	$ 120,042
Debt to Related Parties	$ 678,596	$ 617,232
Contractual Obligations	$ 7,860	$ 7,156

The above transactions do not include support service arrangement transactions disclosed in Schedule 5.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal expenses and Shared Service costs incurred by others are disclosed in Schedule 5.

	2011	2010
Expenses – Incurred by Others		
Accommodation	$ 22,093	$ 28,657
Legal	649	506
Air Transportation Services / Executive Vehicle	96	95
Internal Audit	67	94
Shared Services	4,004	5,477
GOA Learning Centre	35	42
	$ 26,944	$ 34,871

Schedule 5 Consolidated Allocated Costs

(in thousands)

	2011					2010
		Expenses – Incurred by Others				
	Expenses	Accommodation Costs	Shared Services	Legal Services	Total Expenses	Total Expenses
	(a)	(b)	(c)	(d)		(Restated)
Program						
Public Post-Secondary Institutions	$ 4,585,503	$ —	$ —	$ —	$ 4,585,503	$ 4,498,270
Alberta Innovates Research Corporations	162,398	14,546	—	—	176,944	168,904
Alberta Enterprise Corporation	1,191	—	—	—	1,191	1,117
Department						
Support for Adult Learning	283,109	2,595	—	39	285,743	285,644
Apprenticeship Delivery	29,864	2,820	—	73	32,757	37,251
Alberta Centennial Education Savings Plan	15,359	—	—	—	15,359	16,782
Research and Innovation Capacity	13,545	384	—	60	13,989	13,540
Technology Commercialization	11,959	861	—	37	12,857	18,137
Ministry Support Services	29,301	887	4,004	440	34,632	34,513
	$ 5,132,229	$ 22,093	$ 4,004	$ 649	$ 5,158,975	$ 5,074,158

(a) Expenses – Directly Incurred as per Statement of Operations. Support to post-secondary learners includes the provision for future costs of student loans issued.

(b) Costs are as shown for Accommodation on Schedule 4 and allocated to participating entities and by proportion of full-time equivalent staff.

(c) Shared Services costs, as shown on Schedule 4, are allocated only to Ministry Support Services because the services are related to ministry support functions.

(d) Costs are as shown for Legal Services on Schedule 4 and allocated by estimated costs incurred by each program.

Schedule 6 Consolidated Cash and Temporary Investments

(in thousands)

	2011		2010	
	Book Value	Fair Value	Book Value	Fair Value
Fixed Income Securities (a)				
Government of Canada, direct and guaranteed	$ 45,755	$ 45,755	$ 62,909	$ 62,909
Provincial, direct and guaranteed	18,877	18,877	2,983	2,983
Corporate	106,384	106,974	76,232	79,634
Pooled investment funds	91,579	92,161	51,589	52,086
Term Deposits	—	—	3,722	3,722
Cash	10,198	10,198	11,900	11,900
T-Bills	1,643,849	1,643,941	1,678,626	1,628,626
Guaranteed Income Certificates	222,320	222,320	30,954	30,954
	2,138,962	2,140,226	1,868,915	1,872,814
Equities				
Canadian	—	—	2,756	2,756
	—	—	2,756	2,756
Cash and Cash Equivalents (b)	388,618	388,618	547,067	547,067
	$ 2,527,580	$ 2,528,844	$ 2,418,738	$ 2,422,637

(a) Fixed-income securities have an average effective market yield of 1.45% (2010 - 0.76%) per annum.

(b) Includes funds in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2011, securities held by the Fund have a time-weighted return of 1.1% (2010 - 1.0%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

Schedule 7 Consolidated Portfolio Investments

(in thousands)

	2011		2010	
	Book Value	Fair Value	Book Value	Fair Value
Fixed Income Securities (a)				
Government of Canada, direct and guaranteed	$ 95,112	$ 95,471	$ 105,059	$ 107,496
Provincial, direct and guaranteed	52,585	53,839	62,828	64,348
Municipal	2,719	2,810	3,895	4,039
Corporate	217,491	220,099	300,319	305,926
Pooled investment funds	442,368	449,803	272,970	273,067
Guaranteed income certificates	15,104	15,104	24,733	23,666
Asset backed commercial paper	98,131	128,247	104,009	120,962
Treasury Bills and Money Market	25,739	25,675	103,078	103,305
Cash	9,213	9,213	28,911	28,911
	958,462	1,000,261	1,005,802	1,031,720
Equities				
Canadian	474,983	593,863	408,856	464,618
Foreign	690,221	722,476	734,774	672,416
Real Estate	986	986	986	986
	1,166,190	1,317,325	1,144,616	1,138,020
Other Investments (b)	36,498	36,961	28,890	25,027
	36,498	36,961	28,890	25,027
	$ 2,161,150	$ 2,354,547	$ 2,179,308	$ 2,194,767

(a) Fixed income securities have an average effective market yield of 3.26% (2010 - 3.49%) per annum. Following is the maturity structure based on principal amount:

	2011	2010
Under 1 year	65%	64%
1 to 5 years	19%	18%
6 to 10 years	8%	7%
11 to 20 years	3%	4%
Over 20 years	5%	7%
	100%	100%

(b) Includes joint ventures.

Schedule 8 Entities Included in the Consolidated Financial Statements

Department of Advanced Education and Technology

Funds and Agencies

- Access to the Future Fund
- Alberta Enterprise Corporation

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

- Athabasca University
- University of Alberta
- University of Calgary
- University of Lethbridge

Baccalaureate and Applied Studies Institutions

- Grant MacEwan University
- Mount Royal University

Polytechnical Institutions

- Northern Alberta Institute of Technology
- Southern Alberta Institute of Technology

Comprehensive Community Institutions

- Bow Valley College
- Grande Prairie Regional College
- Keyano College
- Lakeland College
- Lethbridge College
- Medicine Hat College
- NorQuest College
- Northern Lakes College
- Olds College
- Portage College
- Red Deer College

Specialized Arts and Culture Institutions

- Alberta College of Art + Design
- Banff Centre

Alberta Innovates Corporations

- Alberta Innovates – Bio Solutions
- Alberta Innovates – Energy and Environment Solutions
- Alberta Innovates – Health Solutions
- Alberta Innovates – Technology Futures

Department of Advanced Education and Technology

Financial Statements

March 31, 2011 *Audited Information*

Auditor's Report

Statements of Operations

Statements of Financial Position

Statements of Cash Flows

Notes to the Financial Statements

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2 Credit or Recovery

3 Expenses – Directly Incurred Detailed by Object

4 Budget

5 Comparison of Expenses Directly Incurred, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

6 Funding Provided to Post-Secondary Institutions and Research Entities

7 Salary and Benefits Disclosure

8 Related Party Transactions

9 Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Advanced Education and Technology

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Advanced Education and Technology, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Advanced Education and Technology as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by
Merwan N. Saher, CA
Auditor General

June 9, 2011
Edmonton, Alberta

Statements of Operations

for the year ended March 31, 2011 *(in thousands)*

	2011 Budget	2011 Actual	2010 Actual (Restated)
Revenues (Schedule 1)			
Internal Government Transfers	$ 256,700	$ 253,221	$ 248,736
Transfers from Government of Canada	631,185	603,245	632,508
Investment Income	7,400	7,436	5,403
Premiums, Fees and Licenses	7,420	7,069	7,022
Other Revenue	4,150	3,691	5,399
	906,855	874,662	899,068
Expenses – Directly Incurred (Note 2b and Schedule 9)			
Voted (Schedules 3 and 5)			
Ministry Support Services	29,982	29,254	27,319
Support for Adult Learning	2,194,762	2,185,767	2,203,289
Post-Secondary Infrastructure	571,566	603,251	701,548
Apprenticeship Delivery	34,480	32,424	34,161
Research and Innovation Capacity	141,457	147,339	162,878
Technology Commercialization	112,188	107,351	107,262
	3,084,435	3,105,386	3,236,457
Statutory			
Alberta Heritage Scholarships	36,193	36,720	35,836
Alberta Centennial Education Savings Plan	12,500	15,359	16,782
Valuation Adjustments			
Provision for Future Cost of Student Loans Issued	49,100	89,084	61,421
Valuation Adjustments and Other Provisions	5	(268)	590
	97,798	140,895	114,629
	3,182,233	3,246,281	3,351,086
Net Operating Results	$(2,275,378)	$(2,371,619)	$(2,452,018)

The accompanying notes and schedules are part of these financial statements.

Statements of Financial Position

as at March 31, 2011

(in thousands)

	2011	2010 (Restated)
Assets		
Cash	$ 4,106	$ 5,489
Accounts Receivable (Note 3)	26,633	55,986
Loans Receivable (Note 4)	438,298	320,703
Tangible Capital Assets (Note 5)	24,098	24,896
	$ 493,135	$ 407,074
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 26,301	$ 114,439
Unearned Revenue	512	470
	26,813	114,909
Net Assets		
Net Assets at Beginning of Year	292,165	252,784
Net Operating Results	(2,371,619)	(2,452,018)
Net Financing Provided from General Revenues	2,545,776	2,491,399
Net Assets at End of Year	466,322	292,165
	$ 493,135	$ 407,074

Contractual Obligations and Contingent Liabilities (Notes 7 and 8)

The accompanying notes and schedules are part of these financial statements.

Statements of Cash Flows

for the year ended March 31, 2011

(in thousands)

	2011	2010 (Restated)
Operating Transactions		
Net Operating Results	$(2,371,619)	$(2,452,018)
Non-cash Items included in Net Operating Results		
Amortization	4,529	2,738
Provision for Future Cost of Student Loans Issued	89,084	61,421
Provision for Vacation Pay and Other Provisions	(268)	590
	(2,278,274)	(2,387,269)
Decrease (Increase) in Accounts Receivable	29,353	(38,195)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(87,617)	64,376
Increase (Decrease) in Unearned Revenue	42	20
Cash Applied to Operating Transactions	(2,336,497)	(2,361,068)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 5)	(4,960)	(8,758)
Capital Assets Transferred to Other Ministries (a)	1,229	4,307
Cash Applied to Capital Transactions	(3,731)	(4,451)
Investing Transactions		
Net Change in Loans Receivable	(206,931)	(126,934)
Cash Applied to Investing Transactions	(206,931)	(126,934)
Financing Transactions		
Net Financing Provided from General Revenues	2,545,776	2,491,399
Cash Provided by Financing Transactions	2,545,776	2,491,399
(Decrease) Increase in Cash and Cash Equivalents	(1,383)	(1,054)
Cash and Cash Equivalents at Beginning of Year	5,489	6,543
Cash and Cash Equivalents at End of Year	$ 4,106	$ 5,489

The accompanying notes and schedules are part of these financial statements.

(a) The Department transferred $1,229 (2010 - $4,307) in capital assets to Agriculture and Rural Development. There were no proceeds on the transfers.

Notes to the Financial Statements

March 31, 2011

Note 1 Authority and Purpose

The Department of Advanced Education and Technology operates under the authority of the *Government Organization Act*, Chapter G-10, revised Statutes of Alberta 2000.

In support of Alberta's vision, Advanced Education and Technology's purpose is to assist Alberta to be a learning and innovative society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Advanced Education and Technology, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. Other entities accountable to the Minister are the Access to the Future Fund, the Alberta Enterprise Corporation, Alberta Innovates corporations and Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from the Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies, directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions during the year.
- valuation adjustments which include changes in the valuation allowances are used to reflect financial assets at their net recoverable or other appropriate value. For the Department, valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to student loans and vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Department operations are not recognized and are disclosed in Schedule 8 and allocated to programs in Schedule 9.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

Assets acquired by right are not included.

Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Department and its liabilities.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are:

- the allowance for loan relief completion payments of $112,564 (2010 - $71,788),
- the allowance for impaired loans amounting to $42,525 (2010 - $36,499),
- the liability for student loans issued amounting to $1,526 (2010 - $1,691) and
- the allowance for loan subsidy amounting to $24,604 (2010 - $18,068).

The Department has made certain estimates in the following areas:

- Completion rates and the number of students exceeding their maximum debt limit in the determination of the allowance for loan relief completion payments.
- Recovery and default rates in the determination of the allowance for impaired loans.
- Student loan amortization periods in the determination of the allowance for loan subsidy.
- Future interest, recovery and default rates in the determination of the liability for student loans.

Changes in these estimates could materially impact the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy, and the liability for student loans issued.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

The fair values of loans receivable and liabilities for student loans issued are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Government Endowment Funds for Research and Scholarships

The Alberta Heritage Foundation for Medical Research Endowment Fund was continued under the *Alberta Research and Innovation Act* for the purpose of supporting medical research. The Alberta Heritage Science and Engineering Research Endowment Fund was also continued under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Finance and Enterprise controls these endowments, however, the Department of Advanced Education and Technology has an economic interest in the endowments as they assist in funding Department programs. Additional information on these endowments can be found in the financial statements for Alberta Finance and Enterprise.

	Net Assets			
	2011		2010	
	Value at Cost	Market Value	Value at Cost	Market Value
Alberta Heritage Foundation for Medical Research Endowment Fund	$ 1,263,857	$ 1,343,638	$ 1,248,898	$ 1,287,950
Alberta Heritage Science and Engineering Research Endowment Fund	726,812	768,594	707,886	728,419
Alberta Heritage Scholarship Fund	720,740	755,030	692,303	712,637
	$ 2,711,409	$ 2,867,262	$ 2,649,087	$ 2,729,006

Revenue from the research endowments now flows through the Department to the Alberta Innovates Corporations, a change from 2010. As a result, 2010 figures have been restated to reflect an increase of $107,900 in Internal Government Transfers and an equal increase in grant expenses in various programs.

Note 3 Accounts Receivable

(in thousands)

	2011	2010
Government of Canada	$ 23,871	$ 53,071
Accrued Interest Receivable on Loans	680	707
Other	2,082	2,208
	$ 26,633	$ 55,986

Accounts receivable are unsecured and non-interest bearing.

Note 4 Loans Receivable

(in thousands)

	2011	2010
Loans Receivable	$ 617,991	$ 447,058
Less:		
Allowance for Loan Relief Completion Payments	(112,564)	(71,788)
Allowance for Impaired Loans	(42,525)	(36,499)
Allowance for Loan Subsidy	(24,604)	(18,068)
	$ 438,298	$ 320,703

Under the Alberta Student Loan Program, loans are provided by the Department to qualifying students on terms prescribed by the Minister of Advanced Education and Technology.

Loans become payable and interest is earned when students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

The allowance for loan relief completion payments is a provision that estimates the amount of loans receivable that will be forgiven through loan relief completion payments.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Department does not receive interest payments over the term of the loans to fully cover the Department's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

Note 5 Tangible Capital Assets

(in thousands)

	2011			2010
	Equipment [a]	Information Technology and Other Assets	Total	Total
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost [b]				
Beginning of year	$ 173	$ 40,383	$ 40,556	$ 36,105
Additions	1,229	3,731	4,960	8,758
Disposals and Transfers	(1,229)	—	(1,229)	(4,307)
	173	44,114	44,287	40,556
Accumulated Amortization				
Beginning of year	97	15,563	15,660	12,922
Amortization expense	31	4,498	4,529	2,738
Effect of Disposals	—	—	—	—
	128	20,061	20,189	15,660
Net Book Value at March 31, 2011	$ 45	$ 24,053	$ 24,098	
Net Book Value at March 31, 2010	$ 76	$ 24,820		$ 24,896

(a) Equipment includes office equipment.

(b) Historical cost included work-in-progress at March 31, 2011 totaling $9,577 (2010 - $17,328) comprised of computer software development projects.

(c) The Department transferred $1,229 (2010 - $4,307) in bio-refining assets to Agriculture and Rural Development. There were no proceeds on the transfer.

Note 6 Accounts Payable and Accrued Liabilities

(in thousands)

	2011	2010
Accounts Payable	$ 668	$ 88,956
Accrued Liabilities		
Vacation	5,320	6,010
Other	11,691	11,258
Liabilities for Student Loans Issued [a]	1,526	1,691
Advances from Government of Canada	7,096	6,524
	$ 26,301	$ 114,439

(a) Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students. These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium.

Note 7 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2011	2010
Service Contracts	$ 32,383	$ 35,559
Capital and Operating Grants	185,897	730,983
Uncashed Student Loans	7,526	4,998
Computer Systems Development	22,906	10,671
	$ 248,712	$ 782,211

Estimated Payment requirements for each of the next five years and thereafter are as follows:

	Service Contract	Capital & Operating Grants	Uncashed Student Loans	Computer Systems Development	Total
2011-12	$ 13,071	$ 161,649	$ 7,526	$ 16,656	$ 198,902
2012-13	9,344	21,308	—	6,250	36,902
2013-14	7,357	2,251	—	—	9,608
2014-15	2,349	689	—	—	3,038
2015-16	262	—	—	—	262
	$ 32,383	$ 185,897	$ 7,526	$ 22,906	$ 248,712

Note 8 Contingent Liabilities

(in thousands)

At March 31, 2011, the Department is a defendant in two legal claims (2010 - four legal claims). These claims have specified amounts totaling $50,076 (2010 - $53,301). The resulting loss, if any, from these claims cannot be determined.

Note 9 Payments Under Agreement

(in thousands)

The Department has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the Department under authority of section 25 of the *Financial Administration Act*. Accounts receivable includes $11,237 (2010 - $17,844) and accounts payable and accrued liabilities includes $7,096 (2010 - $6,524) relating to payments under agreement.

Net amounts paid and recovered under agreements on behalf of the Government of Canada:

	2011	2010
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (314)	$ 1,268
Government of Canada		
Canada Study Grants	(236)	586
Canada Access Grants	(16)	153
Canada Student Grants	72,455	61,811
French Minority Language Education and French Second Language Instruction	7,178	1,774
	$ 79,067	$ 65,592

Note 10 Benefit Plans

(in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $6,039 for the year ended March 31, 2011 (2010 - $5,513).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of $397,087 (2009 - 483,199) and the Public Service Pension Plan reported a deficiency of $2,067,151 (2009 - $1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $39,559 (2009 - $39,516).

The Department also participates in two multi-employer Long-term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of $4,141 (2010 - $8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,020 (2010 - $7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11 Comparative Figures

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Financial Statements

for the year ended March 31, 2011

Schedule 1 Revenues

(in thousands)

	2011 Budget	2011 Actual	2010 Actual (Restated)
Internal Government Transfers			
Alberta Heritage Scholarship Fund	$ 40,200	$ 36,721	$ 35,836
Lottery Fund	105,000	105,000	105,000
Alberta Heritage Science and Engineering Research Endowment Fund	34,500	34,500	31,900
Alberta Heritage Foundation for Medical Research Endowment Fund	77,000	77,000	76,000
	256,700	253,221	248,736
Transfers from Government of Canada			
Canada Social Transfers	530,489	526,214	531,198
Knowledge Infrastructure Program	97,681	73,260	97,680
Other	3,015	3,771	3,630
	631,185	603,245	632,508
Investment Income			
Interest on Student Loans Issued	7,400	7,162	4,470
Other	0	274	933
	7,400	7,436	5,403
Premiums, Fees and Licenses			
Apprenticeship Services	5,000	4,471	4,557
License Fees	2,420	2,588	2,447
Other	0	10	18
	7,420	7,069	7,022
Other Revenue			
Refund of Expenditure	2,500	1,871	4,449
Services Provided to Stakeholders	1,650	1,820	950
	4,150	3,691	5,399
	$ 906,855	$ 874,662	$ 899,068

Schedule 2 Credit or Recovery

(in thousands)

	2011		
	Authorized	Actual	Revenue Excess / (Shortfall)
Ministry Support Services [a]			
Strategic Corporate Services	$ 1,200	$ 1,365	$ 165
Support for Adult Learning [b]			
Program Delivery Support	3,078	3,706	628
Apprenticeship Delivery [c]			
Apprenticeship Services	5,000	4,471	(529)
	$ 9,278	$ 9,542	$ 264

The revenue of each credit or recovery is included in the Department's revenue.

(a) Revenue collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis.

(b) Revenue received from the Government of Canada for administering of Canada Student Loans and conducting studies as prescribed by the federal government on a cost-recovery basis.

(c) Fees collected for the provision of registration and assessment services to individuals seeking certification in designated trades and occupations. As well, consulting services are provided on a cost-recovery basis to other countries and jurisdictions. Apprenticeship technical training spaces in Alberta institutions are provided on a cost-recovery basis to Yukon Territory, Northwest Territories and Nunavut.

Schedule 3 Expenses – Directly Incurred Detailed by Object

(in thousands)

	2011		2010
	Budget	Actual	Actual (Restated)
Voted			
Salaries, Wages and Employee Benefits	$ 60,798	$ 56,635	$ 57,426
Supplies and Services	47,711	44,084	46,557
Grants	2,970,141	3,000,186	3,131,188
Other	215	202	157
Amortization of Tangible Capital Assets	5,570	4,529	2,738
Total Voted Expenses before Recoveries	3,084,435	3,105,636	3,238,066
Less:			
Recoveries from Support Service Arrangements [a]	—	(250)	(1,609)
	$ 3,084,435	$ 3,105,386	$ 3,236,457
Statutory			
Grants	$ 48,693	$ 52,079	$ 52,618
Valuation Adjustments			
Provision for Future Cost of Student Loans Issued	49,100	89,084	61,421
Provision for Vacation Pay and Other Provisions	5	(268)	590
	$ 97,798	$ 140,895	$ 114,629

(a) The Department provides information technology support services to the Department of Employment and Immigration at a cost of $250 (2010 - $1,609). Costs for these services are recovered from that Department.

Schedule 4 Budget

(in thousands)

	2011				
	Estimates	Adjustments [a]	Budget	Supplementary [b]	Authorized Budget
Revenues					
Internal Government Transfers	$ 256,700	$ (4,007)	$ 252,693	$ —	$ 252,693
Transfers from Government of Canada	631,185	(3,885)	627,300	—	627,300
Investment Income	7,400	—	7,400	—	7,400
Premiums, Fees and Licenses	7,420	—	7,420	—	7,420
Other Revenue	4,150	—	4,150	—	4,150
	906,855	(7,892)	898,963	—	898,963
Expenses – Directly Incurred					
Voted Operating Expenses					
Ministry Support Services	29,982	—	29,982	(41)	29,941
Support for Adult Learning	2,194,762	63	2,194,825	(887)	2,193,938
Post-Secondary Infrastructure	571,566	—	571,566	27,400	598,966
Apprenticeship Delivery	34,480	—	34,480	(72)	34,408
Research and Innovation Capacity	141,457	—	141,457	—	141,457
Technology Commercialization	112,188	—	112,188	(2,000)	110,188
Dedicated Revenue Shortfall (Schedule 2)	—	—	—	—	—
	3,084,435	63	3,084,498	24,400	3,108,898
Statutory					
Provision for Future Cost of Student Loans Issued	49,100	74,100	123,200	—	123,200
Alberta Heritage Scholarships	36,193	—	36,193	—	36,193
Alberta Centennial Education Savings Plan	12,500	3,000	15,500	—	15,500
Valuation Adjustments and Other Provisions	5	—	5	—	5
	97,798	77,100	174,898	—	174,898
Total Expenses	3,182,233	77,163	3,259,396	24,400	3,283,796
Net Operating Results	$(2,275,378)	$ (85,055)	$(2,360,433)	$ (24,400)	$(2,384,833)
Equipment and Inventory Purchases (EIP)	$ 8,397	$ —	$ 8,397	$ —	$ 8,397
Non-Budgetary Disbursements	$ 206,700	$ —	$ 206,700	$ 53,900	$ 260,600

(a) Budget adjustments were made as follows:

Revenues:

- $4,007 decrease in revenue to match program expense pursuant to the *Financial Administration Act*, section 24(2).
- $3,885 decrease in revenues from Government of Canada ($3,948 decrease in Canada Social Transfer partially offset by a $63 increase for a study on part-time learners accessing government assistance).

Expenses:

- $63 increase in voted expense offset by a corresponding increase in dedicated revenue pursuant to the *Financial Administration Act*, section 24(2).
- $74,100 increase in statutory expense approved by Treasury Board Committee in Second Quarter Forecast.
- $3,000 increase in statutory expense approved by Treasury Board Committee in Third Quarter Forecast.

(b) Supplementary Estimates were approved on March 14, 2011.

Schedule 5

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

(in thousands)

		2010-11 Estimate	Adjustments [a]	Authorized Supplementary [b]	2010-11 Authorized Budget	Actual Expense	Unexpended (Over-expended)
Voted Operating Expense							
1 Ministry Support Services							
1.0.1	Minister's Office	$ 553	$ —	$ —	$ 553	$ 567	$ (14)
1.0.2	Deputy Minister's Office	683	—	—	683	608	75
1.0.3	Communications	944	—	—	944	790	154
1.0.4	Strategic Corporate Services						
	• Operating Expense	25,035	—	—	25,035	25,277	(242)
	• Equipment and Inventory Purchases	1,217	—	—	1,217	244	973
1.0.5	Corporate Costs	2,767	—	(41)	2,726	2,012	714
Sub-Total		31,199	—	(41)	31,158	29,498	1,660
2 Support for Adult Learning							
2.0.1	Program Delivery Support						
	• Operating Expense	37,251	63	(887)	36,427	31,925	4,502
	• Equipment and Inventory Purchases	3,000	—	—	3,000	2,810	190
2.0.2	Comprehensive Academic and Research Institutions	1,116,645	—	—	1,116,645	1,125,668	(9,023)
2.0.3	Baccalaureate and Applied Studies Institutions	187,486	—	—	187,486	185,315	2,171
2.0.4	Comprehensive Community Institutions	377,177	—	—	377,177	362,284	14,893
2.0.5	Polytechnical Institutions	320,053	—	—	320,053	310,486	9,567
2.0.6	Specialized Arts and Culture Institutions	27,538	—	—	27,538	27,865	(327)
2.0.7	Independent Academic Institutions	23,551	—	—	23,551	23,124	427
2.0.8	Inter-Jurisdiction Programs	7,424	—	—	7,424	7,983	(559)
2.0.9	Community Education	25,702	—	—	25,702	22,775	2,927
2.0.10	Other Program Support	23,835	—	—	23,835	22,466	1,369
2.0.11	Achievement Scholarships	34,600	—	—	34,600	32,999	1,601
2.0.12	Bursaries and Grants	13,500	—	—	13,500	18,591	(5,091)
2.0.13	Student Loan Relief Benefit	—	—	—	—	14,286	(14,286)
Sub-Total		2,197,762	63	(887)	2,196,938	2,188,577	8,361
3 Post-Secondary Infrastructure							
3.0.1	Capital Expansion and Upgrading						
	• Expense	386,647	—	27,400	414,047	421,737	(7,690)
	• Expense funded by Lotteries	40,000	—	—	40,000	40,000	—
3.0.2	Capital Maintenance and Renewal						
	• Expense	79,919	—	—	79,919	76,514	3,405
	• Expense funded by Lotteries	65,000	—	—	65,000	65,000	—
Sub-Total		571,566	—	27,400	598,966	603,251	(4,285)
4 Apprenticeship Delivery							
4.0.1	Apprenticeship Delivery Support						
	• Operating Expense	29,480	—	(72)	29,408	28,070	1,338
	• Equipment and Inventory Purchases	430	—	—	430	676	(246)
4.0.2	Apprenticeship Services	5,000	—	—	5,000	4,354	646
Sub-Total		34,910	—	(72)	34,838	33,100	1,738

Schedule 5

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (continued)

(in thousands)

		2010-11 Estimate	Adjustments [a]	Authorized Supplementary [b]	2010-11 Authorized Budget	Actual Expense	Unexpended (Over-expended)
Voted Operating Expense							
5 Research and Innovation Capacity							
5.0.1	Program Delivery Support	5,149	—	—	5,149	4,158	991
5.0.2	Research Capacity						
	• Operating Expense	23,341	—	—	23,341	28,783	(5,442)
	• Equipment and Inventory Purchases	3,750	—	—	3,750	1,230	2,520
5.0.3	Grant to Alberta Innovates - Bio Solutions	18,842	—	—	18,842	18,542	300
5.0.4	Grant to Alberta Innovates - Energy and Environment Solutions	19,625	—	—	19,625	19,325	300
5.0.5	Grant to Alberta Innovates - Health Solutions	74,500	—	—	74,500	74,500	—
5.0.6	Innovation and Service Excellence Program	—	—	—	—	2,031	(2,031)
Sub-Total		145,207	—	—	145,207	148,569	(3,362)
6 Technology Commercialization							
6.0.1	Program Delivery Support	4,925	—	—	4,925	4,725	200
6.0.2	Strategic Partnerships	13,725	—	—	13,725	11,438	2,287
6.0.3	Commercialization Capacity	11,000	—	(2,000)	9,000	8,050	950
6.0.4	Transfer to Alberta Enterprise Corporation	1,425	—	—	1,425	1,425	—
6.0.5	Grant to Alberta Innovates - Technology Futures	81,113	—	—	81,113	81,713	(600)
Sub-Total		112,188	—	(2,000)	110,188	107,351	2,837
Total Voted Expenses		$ 3,092,832	$ 63	$ 24,400	$ 3,117,295	$ 3,110,346	$ 6,949
Voted Operating Expenses and Equipment/Inventory Purchases							
Purchases							
Operating Expenses		$ 2,979,435	$ 63	$ 24,400	$ 3,003,898	$ 3,000,386	$ 3,512
Operating Expenses Funded by Lotteries		105,000	—	—	105,000	105,000	—
Equipment/Inventory Purchases		8,397	—	—	8,397	4,960	3,437
Total Voted Expenses		$ 3,092,832	$ 63	$ 24,400	$ 3,117,295	$ 3,110,346	$ 6,949
Statutory Expenses							
Provision for Future Cost of Student Loans Issued		$ 49,100	$ 74,100	$ —	$ 123,200	$ 89,084	$ 34,116
Alberta Heritage Scholarships		36,193	—	—	36,193	36,721	(528)
Alberta Centennial Education Savings Plan		12,500	3,000	—	15,500	15,358	142
Valuation Adjustments and Other Provisions		5	—	—	5	(268)	273
Department Statutory Expense		$ 97,798	$ 77,100	$ —	$ 174,898	$ 140,895	$ 34,003
Non-Budgetary Disbursements by Program							
2 Support for Adult Learning							
2.0.14	Student Loan Servicing Cost	$ 600	$ —	$ —	$ 600	$ 384	$ 216
2.0.15	Student Loan Disbursements	206,100	—	53,900	260,000	249,749	10,251
Total Non-Budgetary Disbursements		$ 206,700	$ —	$ 53,900	$ 260,600	$ 250,133	$ 10,467

(a) Budget adjustments were made as follows:

- $63 increase in voted expense offset by a corresponding increase in dedicated revenue pursuant to the *Financial Administration Act*, section 24(2).
- $74,100 increase in statutory expense approved by Treasury Board Committee in Second Quarter Forecast.
- $3,000 increase in statutory expense approved by Treasury Board Committee in Third Quarter Forecast.

(b) Supplementary Estimates were approved on March 14, 2011.

Schedule 6

Funding Provided to Post-Secondary Institutions and Research Entities

(in thousands)

		Operating Grants		Grants for Infrastructure	
		2011	2010 (Restated)	2011	2010
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	$ 39,770	$ 40,351	$ 4,732	$ 8,558
	University of Alberta	589,221	591,730	173,200	311,466
	University of Calgary	428,914	432,135	112,331	193,656
	University of Lethbridge	98,128	96,898	3,772	4,691
Baccalaureate and Applied Studies Institutions	Grant MacEwan University	99,232	97,923	8,294	9,281
	Mount Royal University	86,558	77,049	12,557	17,557
Polytechnical Institutions	Northern Alberta Institute of Technology	164,370	166,501	10,581	10,581
	Southern Alberta Institute of Technology	146,449	147,147	169,319	70,367
Comprehensive Community Institutions	Bow Valley College	31,829	33,155	68,670	39,670
	Grande Prairie Regional College	40,319	37,924	4,925	3,887
	Keyano College	38,585	36,804	4,138	2,638
	Lakeland College	33,832	31,459	6,575	2,437
	Lethbridge College	41,458	40,988	5,817	3,077
	Medicine Hat College	29,625	28,889	2,759	2,684
	NorQuest College	36,507	36,584	1,463	2,863
	Northern Lakes College	29,674	24,935	2,676	1,886
	Olds College	24,605	23,387	3,265	3,265
	Portage College	20,731	20,780	1,430	2,005
	Red Deer College	48,675	45,626	3,774	3,774
Specialized Arts and Culture Institutions	Alberta College of Art + Design	11,932	11,488	973	1,823
	The Banff Centre	15,961	15,964	1,414	4,914
Total Public Post-Secondary Institutions		2,056,375	2,037,717	602,665	701,080
Independent Academic Institutions	Ambrose University College	2,456	2,495	—	—
	Canadian University College	2,774	2,715	—	—
	Concordia University College of Alberta	11,024	11,697	—	—
	St. Mary's University College	2,769	2,765	—	—
	Taylor University College and Seminary	—	307	—	—
	The King's University College	4,163	4,277	—	—
Private Vocational Schools	Columbia College	146	109	—	—
Other Colleges	Yellowhead Tribal College	263	—	—	—
	Blue Quills First Nations College	—	676	—	—
	Maskwachees Cultural College	228	62	—	—
	Nechi Training, Research and Health Promotions Institute	—	70	—	—
	Red Crow Community College	89	256	—	—
	Old Sun Community College	—	272	—	—
Total Funding Provided to Institutions		2,080,287	2,063,418	602,665	701,080
Research Entities	Alberta Innovates – Energy and Environment Solutions	19,325	30,064	—	—
	Alberta Innovates – Bio Solutions	18,792	21,333	—	—
	Alberta Innovates – Health Solutions	75,050	76,000	—	—
	Alberta Innovates – Technology Futures	90,239	89,809	—	—
Total Funding Provided to Research Entities		203,406	217,206	—	—
Total Funding Provided to Post-Secondary Institutions and Research Entities		$ 2,283,693	$ 2,280,624	$ 602,665	$ 701,080

Schedule 7

Salary and Benefits Disclosure

	2011				2010
	Base Salary	Other Cash Benefits	Other Non-Cash Benefits	Total	Total
	(1)	(2)	(3)		(Restated)
Deputy Minister (4)	$ 264,576	$ 1,750	$ 64,558	$ 330,884	$ 328,396
Executives:					
Post-Secondary and Community Education	183,798	1,750	45,435	230,983	226,805
Community, Learner and Industry Connections	185,472	1,750	45,907	233,129	231,151
Research and Innovation (5)	185,472	1,750	45,968	233,190	249,296
Advanced Technology Industries (6)	185,472	10,277	45,906	241,655	239,902
Senior Financial Officer	151,716	1,750	38,245	191,711	190,120
Human Resources Director	133,461	1,750	33,563	168,774	162,208

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums (estimated), learning account items, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other-cash benefits.

(5) Other cash benefits include a vacation payout of nil (2010 - $17,766).

(6) Other cash benefits include a vacation payout of $8,527 (2010 - $8,527).

Schedule 8 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside the Ministry	
	2011	2010 (Restated)	2011	2010 (Restated)
Revenues				
Grants	$ —	$ —	$ 253,221	$ 248,736
Other	3,108	278	—	—
	$ 3,108	$ 278	$ 253,221	$ 248,736
Expenses – Directly Incurred				
Grants	$ 2,863,874	$ 2,957,001	$ 805	$ 1,090
Other Services	2,529	2,353	4,524	3,395
	$ 2,866,403	$ 2,959,354	$ 5,329	$ 4,485
Tangible Capital Assets Transferred Out	$ —	$ —	$ (1,229)	$ (4,307)
Receivables from	$ 682	$ 1,088	$ —	$ —
Payables to	$ 3,103	$ 87,182	$ 190	$ 76
Contractual Obligations	$ 187,318	$ 715,647	$ 38	$ 2,031

The above transactions do not include support service arrangement transactions disclosed in Schedule 9.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation and Legal expenses incurred by others are disclosed in Schedule 9.

	Other Entities Outside the Ministry	
	2011	2010 (Restated)
Expenses – Incurred by Others		
Accommodation	$ 7,547	$ 13,623
Shared Services	4,004	5,477
Legal	649	506
Air Transportation Services	96	95
Internal Audit	67	94
GOA Learning Centre	35	43
	$ 12,398	$ 19,838

Schedule 9 Allocated Costs

(in thousands)

	2011							2010
		Expenses – Incurred by Others			Valuation Adjustments (3)			
	Expenses	Accommodation Costs	Shared Services	Legal Services	Provision for Future Cost of Student Loans Issued	Vacation Pay and Other Provisions	Total Expenses	Total Expenses
	(1)	(2)						(Restated)
Program								
Ministry Support Services	$ 29,254	$ 887	$ 4,004	$ 440	$ —	$ (32)	$ 34,553	$ 34,523
Support for Adult Learning	2,237,846	2,595	—	39	89,084	(92)	2,329,472	2,269,549
Post-Secondary Infrastructure	603,251	—	—	—	—	—	603,251	701,548
Apprenticeship Delivery	32,424	2,820	—	73	—	(99)	35,218	39,589
Research and Innovation Capacity	147,339	384	—	60	—	(14)	147,769	163,813
Technology Commercialization	107,351	861	—	37	—	(31)	108,218	109,052
	$ 3,157,465	$ 7,547	$ 4,004	$ 649	$ 89,084	$ (268)	$ 3,258,481	$ 3,318,074

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments. Support for Adult Learning includes Alberta Heritage Scholarships and Alberta Centennial Education Savings Plan (ACES).

(2) Costs shown for Accommodations are allocated based on proportion of full time equivalent staff.

(3) Valuation Adjustments as per Statement of Operations:

- Vacation Pay – allocated to program based on proportion of full-time-equivalent staff.
- Provision for Future Cost of Student Loans Issued – allocated to Support for Adult Learning.

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Access to the Future Fund

Financial Statements

March 31, 2011 *Audited Information*

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1 Funding Provided to Eligible Recipients

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Advanced Education and Technology

Report on the Financial Statements

I have audited the accompanying financial statements of the Access to the Future Fund, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Access to the Future Fund as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by
Merwan N. Saher, CA
Auditor General

June 9, 2011
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2011

(in thousands)

	2011 Budget	2011 Actual	2010 Actual
Revenues			
Internal Government Transfers			
Transfer from Department of Finance and Enterprise	$ 48,398	$ 48,398	$ 48,398
Investment Income			
Interest	200	137	128
	48,598	48,535	48,526
Expenses - Directly Incurred			
Access to the Future Fund (Schedule 1)	45,023	43,332	45,069
Program Delivery Support	450	174	278
	45,473	43,506	45,347
Net Operating Results	$ 3,125	$ 5,029	$ 3,179

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

as at March 31, 2011

(in thousands)

	2011	2010
Assets		
Cash and Cash Equivalents (Note 4)	$ 17,307	$ 28,558
	$ 17,307	$ 28,558
Liabilities		
Accounts Payable and Accrued Liabilities	$ 1,558	$ 17,838
	1,558	17,838
Net Assets		
Net Assets at Beginning of Year	10,720	7,541
Net Operating Results	5,029	3,179
Net Assets at End of Year	15,749	10,720
	$ 17,307	$ 28,558

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2011

(in thousands)

	2011	2010
Operating Transactions		
Net Operating Results	$ 5,029	$ 3,179
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(16,280)	12,966
Cash (Applied to) Generated from Operating Transactions	(11,251)	16,145
(Decrease) Increase in Cash and Cash Equivalents	(11,251)	16,145
Cash and Cash Equivalents, Beginning of Year	28,558	12,413
Cash and Cash Equivalents, End of Year	$ 17,307	$ 28,558

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2011

Note 1 Authority and Purpose

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

The purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities. The Fund provides matching payments to stimulate donations for post-secondary institutions and apprenticeship scholarships.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Access to the Future Fund, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. Other entities accountable to the Minister are the Department of Advanced Education and Technology, Alberta Enterprise Corporation, Alberta Innovates corporations, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Expenses

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

Assets

Financial assets of the Fund are limited to cash transferred or interest receivable from the General Revenue Fund of the Province of Alberta (General Revenue Fund).

Net Assets

Net assets represent the difference between the carrying value of assets held by the Fund and its liabilities.

Note 3 Advanced Education Endowment

(in thousands)

The Advanced Education Endowment (the Endowment) is an account within the Alberta Heritage Savings Trust Fund that was established by the *Access to the Future Act*. As per section 4(7) of the *Access to the Future Act*, an amount equal to 4.5% of the total amount allocated to the Endowment shall be paid annually from the General Revenue Fund to the Fund.

The Endowment is inflation-proofed in accordance with section 4(6) of the *Access to the Future Act* and section 11 of the *Alberta Heritage Savings Trust Fund Act*. The amount of funding allocated to the Endowment for inflation proofing is an estimate and the actual amount will not be known until after the finalization of the Alberta Heritage Savings Trust Fund financial statements. 2010 amounts have been restated to reflect this subsequent information.

	2011	2010 (Restated)
Opening balance	$ 1,075,514	$ 1,075,514
Inflation proofing	27,963	—
Closing balance	$ 1,103,477	$ 1,075,514

Note 4 Cash and Cash Equivalents

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2011, securities held by the Fund have a time-weighted rate of return of 1.1% per annum (2010: 1% per annum).

Note 5 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include the Department.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
Revenue				
Transfer from Department of Finance and Enterprise	$ —	$ —	$ 48,398	$ 48,398
Expenses - Directly Incurred				
Grants	$ 40,165	$ 42,172	$ 707	$ 327
Program Delivery Support	174	278	—	—
	$ 40,339	$ 42,450	$ 707	$ 327
Payable to	$ 74	$ 15,891	$ —	$ 327

Note 6 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Consolidated Financial Statements

for the year ended March 31, 2011

Schedule 1 Funding Provided to Eligible Recipients

(in thousands)

	2011	2010
Public Post-Secondary Institutions		
Alberta College of Art + Design	$ 425	$ 600
Athabasca University	1,200	1,350
Bow Valley College	1,200	1,200
Grande Prairie Regional College	1,227	1,534
Grant MacEwan University	3,000	3,000
Keyano College	1,200	1,200
Lakeland College	813	642
Lethbridge College	1,200	1,200
Medicine Hat College	1,200	1,200
Mount Royal University	3,000	3,000
NorQuest College	1,200	1,200
Northern Alberta Institute of Technology	3,000	3,000
Northern Lakes College	909	297
Olds College	1,200	1,200
Portage College	785	1,455
Red Deer College	1,200	1,200
Southern Alberta Institute of Technology	3,000	3,000
The Banff Centre	1,200	1,200
The University of Alberta	5,000	5,000
The University of Calgary	5,000	5,000
The University of Lethbridge	3,000	3,000
	39,959	40,478
Accredited Private Not-for-Profit Post-Secondary Institutions		
Ambrose University College	240	240
Canadian University College	240	240
Concordia University College of Alberta	240	240
St. Mary's University College	240	240
The King's University College	240	240
	1,200	1,200
First Nations, Métis and Inuit Colleges		
Blue Quills First Nations College	210	190
Maskwachees Cultural College	210	190
Nechi Training, Research and Health Promotions Institute	210	190
Old Sun Community College	210	190
Red Crow Community College	210	190
Yellowhead Tribal College	210	190
	1,260	1,140
AIT Scholarships		
Alberta Heritage Scholarship Fund	707	327
	707	327
Renaissance Fund	43,126	43,145
Innovation Fund	206	1,924
Total	$ 43,332	$ 45,069

Alberta Enterprise Corporation

Financial Statements

March 31, 2011 *Audited Information*

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1 Expenses Directly Incurred Detailed by Object

2 Executive Compensation

3 Related Party Transactions

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Board of Directors of Alberta Enterprise Corporation

Report on the Financial Statements

I have audited the accompanying financial statements of Alberta Enterprise Corporation, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Enterprise Corporation as at March 31, 2011, and the results of its operations, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by
Merwan N. Saher, CA
Auditor General

May 27, 2011
Edmonton, Alberta

Statement of Financial Position

as at March 31, 2011 *(in thousands)*

	2011	2010
Assets		
Cash and Cash Equivalents (Note 4)	$ 93,649	$ 101,037
Accounts Receivable	21	7
Investments (Note 5)	5,579	2,732
	$ 99,249	$ 103,776
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 28	$ 4,969
	28	4,969
Net Assets		
Net Assets at Beginning of Year	98,807	100,000
Net Loss	(471)	(1,078)
Net Remeasurement Gains (Losses) for the Year (Note 5)	885	(115)
Net Assets at End of Year	99,221	98,807
	$ 99,249	$ 103,776

The accompanying notes and schedules are part of these financial statements.

Approved by the Board of Directors

original signed by
Paul Haggis
Chair of the Board

original signed by
Barry Heck
Chair of the Audit Committee

Statement of Operations

for the year ended March 31, 2011 *(in thousands)*

	2011		2010
	Budget	Actuals	Actuals (Restated)
Revenues			
Grant from Government of Alberta	$ 1,425	$ 1,425	$ 1,000
Interest Income	1,250	—	—
Other Revenue	—	6	—
	2,675	1,431	1,000
Expenses - Directly Incurred (Note 2b, Schedule 1)			
Operating Costs	1,425	1,245	995
Investment Expenses	—	—	116
	1,425	1,245	1,111
Net Operating Results	1,250	186	(111)
Loss on Investments (Note 3)	—	(657)	(967)
Net Income (Loss)	$ 1,250	$ (471)	$ (1,078)

The accompanying notes and schedules are part of these financial statements.

Statement of Remeasurement Gains and Losses

for the year ended March 31, 2011 *(in thousands)*

	2011	2010
Accumulated Remeasurement Losses at Beginning of Year	$ (115)	$ —
Unrealized Gain (Loss) Attributed to:		
Investments	1,114	(115)
Foreign Exchange	(229)	—
Net Remeasurement Gains (Losses) for the Year	885	(115)
Accumulated Remeasurement Gains and (Losses) at End of Year	$ 770	$ (115)

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2011 *(in thousands)*

	2011	2010 (Restated)
Operating Transactions		
Net Operating Results	$ 186	$ (111)
Increase in Accounts Receivable	(14)	(7)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(4,941)	4,957
Cash (Applied to) Generated from Operating Transactions	(4,769)	4,839
Investing Transactions		
Purchase of Investments	(2,619)	(3,814)
Cash Applied to Investing Transactions	(2,619)	(3,814)
(Decrease) Increase in Cash and Cash Equivalents	(7,388)	1,025
Cash and Cash Equivalents, Beginning of Year	101,037	100,012
Cash and Cash Equivalents, End of Year	$ 93,649	$ 101,037

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2011

Note 1 Authority and Purpose

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Alberta Enterprise Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

The Corporation is exempt from Canadian federal and Alberta provincial income taxes.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. Other entities accountable to the Minister are the Department of Advanced Education and Technology, Access to the Future Fund, Alberta Innovates corporations, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Grants from the Government of Alberta are recognized as revenue in the year the transfers are authorized.

Expenses

Directly incurred expenses are recognized when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

Assets

Financial assets of the Corporation mainly include cash and investments.

The Corporation records investments in limited partnerships on a fair value basis. Fair value is determined based upon valuation techniques considered appropriate by the limited partnerships and includes techniques such as the market approach or income approach. The Corporation relies upon the audited financial statements of the limited partners when valuing the Corporation's investments.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

(c) Financial Instruments

Accounting Standard for Investments

The Corporation has early adopted Public Sector Accounting Board (PSAB) Standard PS 3450 – Financial Instruments, a recently approved Standard, as the basis for accounting for the Corporation's investments. The Standard applies for fiscal years on or after April 1, 2012, however, early adoption is permitted which allows for the recording of investments at fair value.

Market Risk

The Corporation is subject to market risk and foreign currency risk with respect to its investment portfolio. To manage these risks, the Corporation has established a target mix of investment types designed to achieve the optimal returns within reasonable risk tolerance and in accordance with the Corporation's investment mandate. The Corporation does not participate in any foreign currency hedging activities.

Note 3 Restatement

(in thousands)

The prior year results included investment expenses of $973 and realized gains of $973 in the calculation of net operating results. Management has restated the presentation of the prior year results. The following table illustrates the effect of this restatement:

	As Previously Reported March 31, 2010	Adjustment	As Restated March 31, 2011
Income (Loss) on Investments	$ 6	$ (973)	$ (967)
Investment Expenses	1,089	(973)	116

These adjustments did not have any impact on the net loss position of the Corporation.

Note 4 Cash and Cash Equivalents

(in thousands)

Cash in the amount of $93,649 (2010 - $101,037) is comprised of cash deposited in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is administered by the Ministry of Finance and Enterprise with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

CCITF is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2011, securities held by the Corporation had a time weighted return of 1.1% per annum (2010: 1.0% per annum).

Note 5 Investments

(in thousands)

The Government of Alberta has allocated $100,000 to the Corporation for investments in limited partnerships that provide venture capital in knowledge-based industries.

The Corporation is a limited partner in two (2010 - two) limited partnerships and $28,577 (2010 - $29,234) has been committed to these limited partnerships. Committed funds are paid into the partnership in amounts and at times determined by the general partner in order to meet the partnership's funding requirements. The Corporation's disbursements to date and commitments are as follows:

	Chrysalix Energy III Fund [a]	Yaletown Ventures II	2011 Total	2010 Total
Funds disbursed to partnership for:				
Investments [b]	$ 4,334	$ 2,100	$ 6,434	$ 3,814
Remaining Commitment	10,243	11,900	22,143	25,420
Total Funding Committed	$ 14,577	$ 14,000	$ 28,577	$ 29,234

(a) Commitments are payable in US dollars. Amounts above are based upon exchange rate on March 31, 2011.

(b) In addition to the amounts noted above, the Corporation also paid $0 (2010 - $116) into partnerships for other fees that are authorized under the limited partnership agreements but are not part of its total funding commitment. These fees are included as Investment Expenses on the Statement of Operations.

The Corporation's investments in limited partnerships are recorded on a fair value basis and include unrealized gains or losses, which are reflected in the Statement of Remeasurement Gains and Losses. Equity in each partnership includes contributions to the partnerships for investments. It also includes a share of the losses of the partnership based on the Corporation's funding commitment as set out in the individual partnership agreements.

The Corporation's equity in partnerships is as follows:

	Chrysalix Energy III Fund	Yaletown Ventures II	Total
Partners' Capital:			
Contributed Capital	$ 34,552	$ 13,418	$ 47,970
Accumulated unrealized gain on investments	7,478	1,429	8,907
Accumulated net loss from operations	(8,622)	(4,280)	(12,902)
Accumulated unrealized foreign exchange loss on investments	—	(278)	(278)
Accumulated non-cash interest on investments	—	28	28
	$ 33,408	$ 10,317	$ 43,725
Equity in US Dollars	33,408	—	—
Exchange Rate	0.97	—	—
Equity in Canadian Dollars	32,466	10,317	—
Alberta Enterprise Corporation's Percentage Partnership	12.21%	15.65%	—
Alberta Enterprise Corporation's Share of Equity	$ 3,964	$ 1,615	$ 5,579

The change in equity in partnerships since April 1, 2010 is as follows:

	Chrysalix Energy III Alta Fund	Yaletown Ventures II	Total
Equity in Partnership, April 1, 2010	$ 1,722	$ 1,010	$ 2,732
Funds disbursed to partnership for investments	1,919	700	2,619
Corporation's share of partnership unrealized investment gain	712	173	885
Loss on investments	(389)	(268)	(657)
Equity in Partnership, March 31, 2011	3,964	1,615	5,579
Cost of Partnership Investment	$ 4,334	$ 2,100	$ 6,434

Note 6 Accounts Payable and Accrued Liabilities

(in thousands)

	2011	2010
Accounts Payable and Accrued Liabilities		
Accounts Payable	$ 2	$ 64
Accrued Liabilities	26	4,905
	$ 28	$ 4,969

Note 7 Budget

Interest earnings on the Corporation's bank account are remitted to the Government of Alberta and are not retained by the Corporation. This practice was implemented after the budget was finalized so the Statement of Operations includes a budget for interest earnings but no actuals.

Note 8 Comparative Figures

Certain 2010 figures have been reclassified to conform to 2011 presentation.

Note 9 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

Schedules to the Financial Statements

for the year ended March 31, 2011

Schedule 1 Expenses Directly Incurred Detailed by Object

(in thousands)

	Budget	2011	2010 (Restated)
Grants	$ 80	$ 67	$ 69
Salaries, Wages, Benefits and Payments to Consultants	769	649	383
Supplies and Services	576	529	659
	$ 1,425	$ 1,245	$ 1,111

Schedule 2 Executive Compensation

	2011				2010
	Compensation (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Chair of the Board	$ —	$ 44,961	$ 1,039	$ 46,000	$ 69,600
Board Members	—	77,000	3,600	80,600	134,000
Executives:					
Chief Executive Officer (4)	220,000	60,000	—	280,000	163,333
Director, Investments (5)	56,100	5,600	—	61,700	78,000
Director, Investments (6)	83,417	3,850	—	87,267	—
Director, Industry Development (7)	96,875	3,875	—	100,750	13,030

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base compensation is established through contractual agreements.

(2) Other Cash Benefits for Board members include honoraria payments and per diem allowances, other cash benefits for Executives include incidental expense allowances.

(3) Other Non-cash Benefits for Board members includes Canada Pension Plan payments. No non-cash benefits are provided to Executives.

(4) The Chief Executive Officer position was filled in September 2009.

(5) The Director of Investments position was filled on a part-time basis beginning in October 2009.

(6) The Director of Investments position was filled on a part-time basis beginning in May 2010.

(7) The Director of Industry Development position was filled on a part-time basis beginning in February 2010.

Schedule 3 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Corporation.

Entities in the Ministry refers to entities consolidated in the Ministry of Advanced Education and Technology. Other entities outside of the Ministry relates to the remaining entities consolidated at the Provincial level.

The Corporation had the following transactions with related parties which are recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside of the Ministry	
	2011	2010 (Restated)	2011	2010 (Restated)
Revenues				
Grants	$ 1,425	$ 1,000	$ —	$ —
Expenses – Directly Incurred				
Other Services	$ 103	$ 136	$ 66	$ 7
Payables to	$ 21	$ 945	$ —	$ —

The Corporation receives financial services, such as financial reporting and transaction processing, from the Department of Advanced Education and Technology at no charge.

Summary Subsidiary Financial Statements

Unaudited Information

Alberta Innovates Corporations

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

Baccalaureate and Applied Studies Institutions

Polytechnical Institutions

Comprehensive Community Institutions

Specialized Arts and Culture Institutions

Alberta Innovates Corporations

Summary Financial Statements (1)

for March 31, 2011 *(in thousands)*

	Alberta Innovates – Bio Solutions	Alberta Innovates – Energy and Environment Solutions	Alberta Innovates – Health Solutions	Alberta Innovates – Technology Futures	2011 Totals	2010 Totals
Statement of Financial Position						
Current Assets	$ 14,950	$ 28,523	$ 22,172	$ 49,784	$ 115,429	$ 18,265
Long-Term Assets	—	72	406	24,510	24,988	—
	$ 14,950	$ 28,595	$ 22,578	$ 74,294	$ 140,417	$ 18,265
Current Liabilities	$ 735	$ 423	$ 5,718	$ 20,846	$ 27,722	$ 15,084
Long-Term Liabilities	7,621	13,772	2,109	18,694	42,196	—
	8,356	14,195	7,827	39,540	69,918	15,084
Net Assets	6,594	14,400	14,751	34,754	70,499	3,181
	$ 14,950	$ 28,595	$ 22,578	$ 74,294	$ 140,417	$ 18,265
Statement of Operations						
Revenue	$ 25,947	$ 28,368	$ 91,291	$ 156,369	$ 301,975	$ 28,237
Expenses	22,534	21,703	84,402	153,738	282,377	25,056
Net Income (Loss)	$ 3,413	$ 6,665	$ 6,889	$ 2,631	$ 19,598	$ 3,181
Statement of Changes in Financial Position						
Cash and Short-Term Investments, Beginning of Year	$ 18,049	$ 30,437	$ 12,662	$ 23,458	$ 84,606	$ 84,305
Cash Provided from (Used in) Operating Activities	(3,268)	(2,278)	7,868	10,772	13,094	3,098
Cash Generated (Used) by Organizational Activities	—	(76)	(178)	(4,700)	(4,954)	(2,797)
Cash and Short-Term Investments, End of Year	$ 14,781	$ 28,083	$ 20,352	$ 29,530	$ 92,746	$ 84,606
Salary and Benefits of CEO Positions						
Base Salary	$ 193,241	$ 192,921	$ 289,000	$ 295,000		
Other Cash Benefits (2)	37,843	49,215	—	6,000		
Non-Cash Benefits (3)	52,692	64,087	95,000	68,951		
	$ 283,776	$ 306,223	$ 384,000	$ 369,951		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for Public Sector Entities. To comply with Government of Alberta publishing deadlines, summary information for entities with a March 31 year end are from statements on which audit is not complete. Full audited financial statements for these entities are available on their websites or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Academic and Research Institutions

Summary Financial Statements [1]

for March 31, 2011 *(in thousands)*

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2011 Totals	2010 Totals
Statement of Financial Position						
Current Assets	$ 984,622	$ 858,208	$ 43,976	$ 23,442	$ 1,910,248	$ 1,939,138
Long-Term Assets	3,635,284	2,011,833	458,660	85,095	6,190,872	5,366,151
	$ 4,619,906	$ 2,870,041	$ 502,636	$ 108,537	$ 8,101,120	$ 7,305,289
Current Liabilities	$ 667,612	$ 604,555	$ 54,932	$ 38,254	$ 1,365,353	$ 1,235,375
Long-Term Liabilities	2,662,195	1,430,281	235,889	58,043	4,386,408	4,031,270
	3,329,807	2,034,836	290,821	96,297	5,751,761	5,266,645
Net Assets	1,290,099	835,205	211,815	12,240	2,349,359	2,038,644
	$ 4,619,906	$ 2,870,041	$ 502,636	$ 108,537	$ 8,101,120	$ 7,305,289
Statement of Operations						
Revenue	$ 1,644,226	$ 1,065,762	$ 191,471	$ 124,492	$ 3,025,951	$ 2,951,505
Expenses	1,569,059	995,922	174,554	128,302	2,867,837	2,881,950
Net Income (Loss)	$ 75,167	$ 69,840	$ 16,917	$ (3,810)	$ 158,114	$ 69,555
Statement of Changes in Financial Position						
Cash and Short-Term Investments, Beginning of Year	$ 99,229	$ 576,062	$ 20,311	$ 7,733	$ 703,335	$ 622,803
Cash Provided from (Used in) Operating Activities	263,839	54,145	33,059	13,087	364,130	236,885
Cash Generated (Used) by Organizational Activities	(240,268)	(95,241)	(23,641)	(13,302)	(372,452)	80,532
Cash and Short-Term Investments, End of Year	$ 122,800	$ 534,966	$ 29,729	$ 7,518	$ 695,013	$ 940,220
Salary and Benefits of President Positions						
Base Salary	$ 502,000	$ 449,000	$ 337,000	$ 362,000		
Other Cash Benefits [2]	—	24,000	100,000	110,000		
Non-Cash Benefits [3]	503,000	167,000	142,000	49,000		
	$ 1,005,000	$ 640,000	$ 579,000	$ 521,000		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. To comply with Government of Alberta publishing deadlines, summary information for entities with a March 31 year end are from statements on which audit is not complete. Full audited financial statements for these entities are available on their websites or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Baccalaureate and Applied Studies Institutions

Summary Financial Statements (1)

for June 30, 2010 *(in thousands)*

	Grant MacEwan University	Mount Royal University	2010 Totals	2009 Totals
Statement of Financial Position				
Current Assets	$ 110,957	$ 63,846	$ 174,803	$ 174,047
Long-Term Assets	317,915	291,711	609,626	554,580
	$ 428,872	$ 355,557	$ 784,429	$ 728,627
Current Liabilities	$ 48,133	$ 45,722	$ 93,855	$ 93,926
Long-Term Liabilities	203,670	223,966	427,636	397,799
	251,803	269,688	521,491	491,725
Net Assets	177,069	85,869	262,938	236,902
	$ 428,872	$ 355,557	$ 784,429	$ 728,627
Statement of Operations				
Revenue	$ 216,542	$ 205,576	$ 422,118	$ 377,529
Expenses	199,404	203,995	403,399	363,369
Net Income (Loss)	$ 17,138	$ 1,581	$ 18,719	$ 14,160
Statement of Changes in Financial Position				
Cash and Short-Term Investments, Beginning of Year	$ 102,994	$ 25,601	$ 128,595	$ 132,534
Cash Provided from (Used in) Operating Activities	(7,885)	10,133	2,248	32,292
Cash Generated (Used) by Organizational Activities	(18,375)	(6,258)	(24,633)	24,694
Cash and Short-Term Investments, End of Year	$ 76,734	$ 29,476	$ 106,210	$ 189,520
Salary and Benefits of President Positions				
Base Salary	$ 277	$ 269		
Other Cash Benefits (2)	7	61		
Non-Cash Benefits (3)	149	95		
	$ 433	$ 425		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Polytechnical Institutions

Summary Financial Statements (1)

for June 30, 2010 *(in thousands)*

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2010 Totals	2009 Totals
Statement of Financial Position				
Current Assets	$ 26,679	$ 225,303	$ 251,982	$ 195,969
Long-Term Assets	444,982	593,722	1,038,704	835,661
	$ 471,661	$ 819,025	$ 1,290,686	$ 1,031,630
Current Liabilities	$ 79,258	$ 69,527	$ 148,785	$ 157,500
Long-Term Liabilities	203,241	570,132	773,373	540,357
	282,499	639,659	922,158	697,857
Net Assets	189,162	179,366	368,528	333,773
	$ 471,661	$ 819,025	$ 1,290,686	$ 1,031,630
Statement of Operations				
Revenue	$ 308,541	$ 285,954	$ 594,495	$ 585,676
Expenses	292,668	267,729	560,397	553,302
Net Income (Loss)	$ 15,873	$ 18,225	$ 34,098	$ 32,374
Statement of Changes in Financial Position				
Cash and Short-Term Investments, Beginning of Year	$ 10,699	$ 151,437	$ 162,136	$ 171,998
Cash Provided from (Used in) Operating Activities	37,076	21,829	58,905	40,755
Cash Generated (Used) by Organizational Activities	(36,219)	43,543	7,324	(4,319)
Cash and Short-Term Investments, End of Year	$ 11,556	$ 216,809	$ 228,365	$ 208,434
Salary and Benefits of President Positions				
Base Salary	$ 288	$ 224		
Other Cash Benefits (2)	58	78		
Non-Cash Benefits (3)	389	214		
	$ 735	$ 516		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions

Summary Financial Statements (1)

for March 31, 2011 *(in thousands)*

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Current Assets	$ 117,643	$ 12,547	$ 24,065	$ 28,336	$ 20,856	$ 16,056	$ 34,401
Long-Term Assets	213,834	91,224	111,807	81,384	104,780	94,783	39,679
	$ 331,477	$ 103,771	$ 135,872	$ 109,720	$ 125,636	$ 110,839	$ 74,080
Current Liabilities	$ 24,582	$ 12,354	$ 21,756	$ 12,498	$ 14,662	$ 7,826	$ 16,443
Long-Term Liabilities	241,092	61,306	77,977	67,095	72,864	65,654	31,393
	265,674	73,660	99,733	79,593	87,526	73,480	47,836
Net Assets	65,803	30,111	36,139	30,127	38,110	37,359	26,244
	$ 331,477	$ 103,771	$ 135,872	$ 109,720	$ 125,636	$ 110,839	$ 74,080
Statement of Operations							
Revenue	$ 75,342	$ 71,686	$ 71,927	$ 67,732	$ 82,221	$ 51,762	$ 77,716
Expenses	65,548	68,814	69,742	67,497	78,471	48,499	77,227
Net Income (Loss)	$ 9,794	$ 2,872	$ 2,185	$ 235	$ 3,750	$ 3,263	$ 489
Statement of Changes in Financial Position							
Cash and Short-Term Investments, Beginning of Year	$ 8,774	$ 11,757	$ 17,199	$ 14,261	$ 9,732	$ 15,217	$ 4,660
Cash Provided from (Used in) Operating Activities	(1,316)	6,452	7,792	414	4,066	6,043	12,540
Cash Generated (Used) by Organizational Activities	(3,016)	(8,132)	(7,187)	3,312	(2,947)	(6,686)	(1,653)
Cash and Short-Term Investments, End of Year	$ 4,442	$ 10,077	$ 17,804	$ 17,987	$ 10,851	$ 14,574	$ 15,547
Salary and Benefits of President Positions							
Base Salary	$ 209	$ 234	$ 206	$ 223	$ 231	$ 197	$ 199
Other Cash Benefits (2)	48	—	23	18	10	16	120
Non-Cash Benefits (3)	27	23	20	23	23	106	8
	$ 284	$ 257	$ 249	$ 264	$ 264	$ 319	$ 327

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) Northern Lakes College did not submit financial statements in time for publication.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for March 31, 2011 *(in thousands)*

	Northern Lakes College (4)	Olds College	Portage College	Red Deer College	2011 Totals	2010 Totals
Statement of Financial Position						
Current Assets	$ —	$ 13,380	$ 6,463	$ 10,391	$ 284,138	$ 194,021
Long-Term Assets	—	93,637	65,235	168,348	1,064,711	1,051,549
	$ —	$ 107,017	$ 71,698	$ 178,739	$ 1,348,849	$ 1,245,570
Current Liabilities	$ —	$ 19,307	$ 4,728	$ 29,329	$ 163,485	$ 175,906
Long-Term Liabilities	—	68,596	55,237	115,710	856,924	774,948
	—	87,903	59,965	145,039	1,020,409	950,854
Net Assets	—	19,114	11,733	33,700	328,440	294,716
	$ —	$ 107,017	$ 71,698	$ 178,739	$ 1,348,849	$ 1,245,570
Statement of Operations						
Revenue	$ —	$ 49,298	$ 34,414	$ 96,658	$ 678,756	$ 630,422
Expenses	—	46,937	34,353	95,705	652,793	616,245
Net Income (Loss)	$ —	$ 2,361	$ 61	$ 953	$ 25,963	$ 14,177
Statement of Changes in Financial Position						
Cash and Short-Term Investments, Beginning of Year	$ —	$ 9,829	$ 1,028	$ 2,282	$ 94,739	$ 114,174
Cash Provided from (Used in) Operating Activities	—	114	3,144	11,513	50,762	54,061
Cash Generated (Used) by Organizational Activities	—	(4,208)	(2,103)	(13,189)	(45,809)	33,593
Cash and Short-Term Investments, End of Year	$ —	$ 5,735	$ 2,069	$ 606	$ 99,692	$ 201,828
Salary and Benefits of President Positions						
Base Salary	$ —	$ 199	$ 176	$ 191		
Other Cash Benefits (2)	—	63	5	49		
Non-Cash Benefits (3)	—	22	59	65		
	$ —	$ 284	$ 240	$ 305		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) Northern Lakes College did not submit financial statements in time for publication.

Specialized Arts and Culture Institutions

Summary Financial Statements

	for June 30, 2010 (1)		for March 31, 2011 (2)		*(in thousands)*
	Alberta College of Art + Design		The Banff Centre		
	2010	2009	2011	2010	
Statement of Financial Position					
Current Assets	$ 11,246	$ 12,027	$ 13,147	$ 30,557	
Long-Term Assets	9,570	7,714	173,975	158,324	
	$ 20,816	$ 19,741	$ 187,122	$ 188,881	
Current Liabilities	$ 7,636	$ 7,908	$ 11,500	$ 18,229	
Long-Term Liabilities	4,947	4,175	138,959	137,483	
	12,583	12,083	150,459	155,712	
Net Assets	8,233	7,658	36,663	33,169	
	$ 20,816	$ 19,741	$ 187,122	$ 188,881	
Statement of Operations					
Revenue	$ 21,464	$ 20,871	$ 54,149	$ 51,662	
Expenses	21,669	20,475	53,858	51,543	
Net Income (Loss)	$ (205)	$ 396	$ 291	$ 119	
Statement of Changes in Financial Position					
Cash and Short-Term Investments, Beginning of Year	$ 10,761	$ 9,495	$ 3,630	$ 5,012	
Cash Provided from (Used in) Operating Activities	94	2,346	(3,907)	3,888	
Cash Generated (Used) by Organizational Activities	(1,437)	1,794	596	(1,382)	
Cash and Short-Term Investments, End of Year	$ 9,418	$ 13,635	$ 319	$ 7,518	
Salary and Benefits of President Positions					
Base Salary	$ 230	$ 225	$ 303	$ 302	
Other Cash Benefits (3)	115	110	—	—	
Non-Cash Benefits (4)	23	30	41	39	
	$ 368	$ 365	$ 344	$ 341	

(1) Financial statements for this entity are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for this entity are available on its website or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(2) Financial statements for this entity are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. To comply with Government of Alberta publishing deadlines, summary information for entities with a March 31 year end are from statements on which audit is not complete. Full audited financial statements for this entity are available on its website or in Volume 2 of the Ministry Annual Report to be released in October 2011.

(3) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(4) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Other Information

Unaudited Information

Endnotes

Statement of Remissions, Compromises and Write-offs

Statement of Guarantees and Indemnities

Contact Information

Endnotes

Endnote A

International Visa Students Registered at Alberta Post-Secondary Institutions

The total number of international students has been defined as the total unduplicated headcount of students who require a visa to study in Canada and are physically attending a publicly funded post-secondary institution in Alberta at some point during the academic year. Learners taking online classes from their home country are not included in this measure. Athabasca University is not a campus-based institution, and therefore Athabasca University enrolments have not been included since all students are taking online courses.

Data are provided by institutions and stored in the Learner Enrolment Reporting System (LERS). The Banff Centre is not included in this measure as their enrolments are not reported via LERS. See Endnote B for more information on LERS.

Endnote B

Learner Enrolment Reporting System

The Learner Enrolment Reporting System (LERS) is a database used by the Ministry to track changes in learner demographics and characteristics in the advanced learning system. Publicly funded institutions submit their credit programs enrolment data to the Ministry. These data are subject to a host of accountability constraints and are signed off by institutional and Ministry officials once verified. Data for Alberta's publicly funded institutions are reported in LERS for the academic year (May to April for comprehensive academic and research institutions; July to June for the Alberta College of Art and Design, baccalaureate and applied studies institutions, polytechnical institutions, and comprehensive community institutions; and May to April for independent academic institutions). Finalized data are available in the fall for the previous academic year.

Endnote C

Surveys Conducted by an External Contractor

Post-Secondary Graduate Outcomes Survey

The Post-Secondary Graduate Outcomes Survey is conducted every other year. Graduates of publicly funded post-secondary institutions are surveyed two years after graduation. The most recent survey was conducted January to April 2010 by an independent third-party contractor.

The survey population was provided to the contractor from an internal source. Graduates were surveyed by telephone and Internet about their employment outcomes upon graduating, further studies undertaken, and satisfaction with the overall quality of their educational experience. Interviews were conducted with 9,887 graduates from parchment programs at 26 Alberta publicly funded post-secondary institutions. Although this sample size is smaller than in previous years (a completion rate of 29%), the response rate was high (the percentage of those successfully contacted who were willing to participate was over 50%). Confidence levels and margin of errors continue to be comparable with previous survey cycles: the number of responses achieved a 95% confidence level, with a 0.9% confidence interval (or "margin of error").

Satisfaction questions are based on a four-point scale. Satisfaction rates are the combined results of the responses "somewhat satisfied" and "very satisfied." The percentage result is calculated by dividing the total "somewhat satisfied" and "very satisfied" responses by the total number of survey respondents, including respondents who answered "don't know." Results presented are the combined percentages of respondents who were very satisfied/satisfied. No responses were excluded.

The set of questions used will be included in the next update of the Key Performance Indicators Reporting System (KPIRS) manual for Alberta's Post-Secondary Institutions, available online at:
aet.alberta.ca/post-secondary/funding/supportsinstitutions/resources/data.aspx.

Survey of Apprenticeship Graduates

To accommodate the June 2011 publication of Ministry annual reports, this survey was conducted between October 8 and December 8, 2010 instead of the winter-spring (February-May period) typical of previous surveys. This means that graduates were contacted between 3 to 15 months after graduation rather than 8 to 21 months. This change is not significant enough to make results non-comparable to previous survey years for the on-the-job and technical training satisfaction questions. Graduates commented on the program they completed, typically a 4-year program.

While all respondents were contacted initially by phone, for the first time this year, respondents were given the option to complete the survey online.

The survey population was provided to the contractor from the Apprenticeship Trade and Occupation Management System (ATOMS). Surveys of recent apprenticeship graduates are conducted every other year. The last survey was conducted in 2010, with 4,426 interviews of apprentices who had graduated between August 1, 2009 and July 31, 2010. Survey findings were provided to the Ministry in January 2011.

Satisfaction questions are based on a four-point scale. Satisfaction rates combine the "somewhat satisfied" and "very satisfied" results. The percentage result is calculated by dividing the total of "somewhat satisfied" and "very satisfied" responses by the total number of survey respondents, including respondents who answered "don't know."

Respondents who had not completed any technical training or who had completed their technical training prior to starting their apprenticeship were omitted from the portion of the analysis dealing with technical training. This represents about 11% of the apprentice graduate population.

In order to provide detailed analysis by trade group, training institute and region, the sampling frame included a census of the populations of both cohorts, with a minimum number of completed interviews attained for each cohort. The following table provides the sample size and confidence interval for each cohort.

Cohort	Expected Completed Interviews	Expected Confidence Interval
1. Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2009-10 school year	2,916	±1.1%
2. Graduates who completed their apprenticeship program in the 2009-10 school year, but did not attend technical training in that year	2,098	±1.6%
	5,014	±0.9%

Based on the sampling method identified above, a minimum of 5,014 completed interviews was to be conducted from the two cohorts. The population of 2009-10 graduates of apprenticeship training was split 54% to 46% between those who completed both their technical training and on-the-job training requirements in the 2009-10 school year and those who had completed their technical training prior to the 2009-10 school year (or were not required to take any technical training during their apprenticeship).

Cohort	Completed Interviews	Confidence Interval
1. Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2009-10 school year	2,484	±1.4%
2. Graduates who completed their apprenticeship program in the 2009-10 school year, but did not attend technical training in that year	1,942	±1.6%
	4,426	±1.1%

While there were fewer than expected survey completions, overall survey results provide a margin of error of no greater than +1.1% at the 95% confidence level (or 19 times out of 20), and does not impact the quality of the results reported. Based on the outcome of all call attempts, an overall response rate of 51% was achieved for Cohort 1 and 46% for Cohort 2, with an overall response rate of 49%.

Public Satisfaction Survey

Advanced Education and Technology collaborates with Education to commission an annual telephone survey of the Alberta public. The purpose of this survey to obtain perceptions of how the education system is performing in meeting learners' and society's needs and expectations. A professional survey research firm is contracted to conduct the survey, compile results and provide them to the Ministries. Results were provided in the Survey Summary Report, *Public/Adult Learners/Adult Non-Learner Survey*, March 2011, available on the Ministry's website at **aet.alberta.ca/ministry/stats.**

The survey instrument uses a four-point response scale: "very satisfied" / "satisfied" / "dissatisfied" / "very dissatisfied" or strongly agree / agree / disagree / strongly disagree), depending on the question. "Don't know" responses and refusals are recorded as well. Results presented are the combined percentages of respondents who were very satisfied/satisfied, or who strongly agreed/agreed.

The population for this survey was the Alberta public, and the survey sample was obtained using a random listed sample for Alberta by census subdivision. There were 800 public respondents for this survey, and results for this measure have a confidence interval of ±3.5% at a confidence level of 95%. For more information on confidence intervals (or "margin of error"), see Endnote D.

Endnote D

Use of Confidence Intervals for Interpreting Survey Results

When a result is obtained by surveying a random sample of the target population (e.g. the public, graduates), there is a confidence interval associated with the result, which is expressed as a percentage above and below the result (e.g. ±2.5%). A confidence interval indicates how much variation one might expect from the survey result as a consequence of sampling and diversity among respondents. This makes it possible to determine whether differences in survey results over time are likely the result of sampling variations (differences falling within the confidence interval or "margin of error"), or represent actual change.

When comparing results of survey questions over time or among respondent groups, if there is no overlap between the confidence intervals of the two observed values, then the difference between the two results is considered to be real 19 times out of 20. When the confidence intervals of the two observed values do overlap, the difference is attributable to sampling variation, and the difference cannot be considered real.

The following hypothetical examples illustrate:

a) *two survey results where the confidence intervals overlap: no real difference in results*

   Where two survey results are 76% and 80%, both with a confidence interval of 2.5%, then the upper limit of the confidence interval for the 76% result is 78.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals overlap, it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.

b) *two survey results where the confidence intervals do not overlap: a real difference in results*

   If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the 74% result is 76.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals do not overlap, it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference.

Endnote E

Percentage of Transfers where Post-Secondary Graduates with Prior Learning Reported they Received the Transfer Credit they Expected

In the Post-Secondary Graduate Outcomes Survey, graduates (class of 2007-08) with prior learning were asked if they received the transfer credit they expected. Results reported include only those who responded *yes* (other response options included: *no*, *don't know*, and *no response*). (See Endnote A for more information on the Post-Secondary Graduate Outcomes Survey.)

Endnote F

Proportion of Recent Graduates who Agree the Program was Worth the Financial Cost

In the Post-Secondary Graduate Outcomes Survey, graduates (class of 2007-08) were asked if they considered the program they graduated from to be worth the financial cost to themselves and/or their family. The responses *agree* and *strongly agree* were combined to obtain the result. (See Endnote C for more information on the Post-Secondary Graduate Outcomes Survey.)

Endnote G

Ratio of Total Debt at Graduation to Income Two Years after Graduation

The Post-Secondary Graduate Outcomes Survey identifies graduates (class of 2007-08) who had both education-related debt at the time of their graduation and were employed two years after graduation. The ratio of debt to income is calculated by dividing median debt by median income. (See Endnote C for more information on the Post-Secondary Graduate Outcomes Survey.)

Endnote H

Scholarship Dollars per Full-Time Student

Scholarship dollars per full-time student are determined by the total scholarship expenditures divided by the total number of full-time students in Alberta's post-secondary institutions. Scholarship expenditure data come from Advanced Education and Technology's Alberta Scholarship Program Branch and include Ministry expenditures on Achievement Scholarships. Enrolment data come from the Learner Enrolment Reporting System (LERS). (For more information on LERS, see Endnote B.)

Endnote I

Statistics Canada's Labour Force Survey

Statistics Canada's Labour Force Survey (LFS) is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey.

Population Rebasing

The census base used for obtaining population estimates is updated several years after each new census is conducted. Previously, the LFS population estimate used the 2001 census base, but the 2010 LFS population estimate uses the 2006 census base.

Updated population counts produce more accurate labour force estimates since the population estimates become less accurate over the years. For more information, please see *Improvements to the Labour Force Survey* on the statistics Canada website: **www.statcan.gc.ca/pub/71f0031x/71f0031x2011001-eng.htm.**

Sample Size and Coefficient of Variation

The Canadian sample size for the monthly Labour Force Survey was 56,372 households per month in 2010. Alberta's sample size corresponds to its share of the national population. An average of 5,593 Alberta households were surveyed each month in 2010 (Guide to the Labour Force Survey 2010, page 20).

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (Albertans 18-34 participating in post-secondary education: 170,200) is 2.5%.

Additional information on the Labour Force Survey Methodology and interpreting Labour Force Survey coefficients of variation is available in the Guide to Labour Force Survey for 2010 (Catalogue no. 71-543-G) accessible online at: **www.statcan.gc.ca/pub/71-543-g/71-543-g2009001-eng.pdf.**

Endnote J

New Apprentices Registered

This measure averages five years of annual new apprenticeship registrations to give a better understanding of long-term trends in apprenticeship registrations. The 2010 result averages new registrations from 2006 to 2010.

New apprentices include all apprentices that register during the calendar year. It includes those returning to do an additional apprenticeship after completing one or more apprenticeships in previous years and those continuing an apprenticeship in another trade for which they registered in a previous year. Apprentices who registered in more than one trade or branch of a trade within the year are counted only once. The number does not include re-instated apprentices (unless re-instated in the same year registered).

The source of this data is a database shared by Education and Advanced Education and Technology: the Apprenticeship Trade and Occupations Management System (ATOMS). ATOMS is a dynamic database, updated constantly by field staff across the province. Therefore, the data generated is only as up-to-date as the last update provided from staff. The data is not frozen and results can vary if pulled at different points in time. Consequently, data pulled for this measure on a particular date cannot be replicated from ATOMS at a later date. Data for 2010 were pulled on January 10, 2011.

Endnote K

Aboriginal Learners Participating at Post-Secondary Institutions

Aboriginal participation in post-secondary education is measured by the total unduplicated headcount of Aboriginal learners who have registered at publicly-funded post-secondary institutions. Data are collected from the institutions and entered into the Learner Enrolment Reporting System (LERS). (See Endnote B for more information on LERS.)

This measure includes all Aboriginal learners participating at Alberta's publicly-funded post-secondary institutions who self-identified as Status Indian/First Nations, Non-Status Indian/ First Nations, Métis, or Inuit. Because Aboriginal status is self-disclosed, the count of registrations may be lower than the actual number of Aboriginal learners participating in the advanced learning system.

Endnote L

Total Sponsored Research Revenue Attracted by Alberta's Comprehensive Academic and Research Institutions

This measure provides an indicator of the value of sponsored research at these institutions. The main funding sources include the provincial and federal governments, industry and non-profit organizations. Sponsored research revenues are those received outside of the university base operating grant and include both research grants and research contracts. This performance measure reflects research capability in Alberta through the success of its major universities in attracting sponsored research funding from several sources.

The Ministry draws data for this measure from the publication *Financial Information for Universities and Colleges*, published annually by the Canadian Association of University Business Officers (CAUBO). Data are for the fiscal year, and there is a one-year lag in reporting data due to the time required for CAUBO to assemble and publish the data.

Endnote M

Total Sponsored Applied Research Revenue Attracted by Alberta's Baccalaureate and Applied Studies Institutions, Polytechnical Institutions, Comprehensive Community Institutions, and Specialized Arts and Culture Institutions

Total sponsored applied research revenue measures the growth of the research capacity and capability of these institutions in the province. Data are reported based on standardized sponsored research reporting templates submitted by each institution to Advanced Education and Technology. Questions from the institutions about the guidelines, reporting of data and the final data collection are directed to a Ministry representative. Data are compiled by this representative and verified by management before they are published in the annual report.

Endnote N

Graduate Students Studying in Alberta

A graduate student is defined as a person enrolled in a program leading towards a Masters or Doctoral-level degree, including those enrolled in post-degree certificate and diploma programs containing courses that are equivalent to those offered in Masters or Doctoral programs including medical resident students.

A learner participating in a graduate-level course counts as one student. This measure does not differentiate between part-time and full-time learners or between Masters, PhD and Post Doctorate students. Data come from the Learner Enrolment Reporting System (LERS). (See Endnote B for more information on LERS.)

Notes: At the time of last year's data extraction (data year 2008-09), the Diploma of the Faculty of Education and Diploma of the Faculty of Engineering and Diploma of the Faculty of Fine Arts programs were wrongly coded as non-graduate level programs for the 2008-09 academic year. Upon review of the programs, this one-time problem was resolved; this year's data once again includes these programs. The revised 2008-09 value for this measure is higher by 55 graduate students; however, the result for data year 2008-09 has not been restated since the difference is less than materiality (933 or 5%).

The two measures, "Percentage of graduate students studying in priority areas" and "Albertans employed in priority areas" both use the term "priority areas," referring to the four GOA priority areas: bio-industries, energy and environment, health, and technology commercialization. However, the nature of the measures and the data used are different. The graduate student measure identifies fields of study using Classification of Instructional Program (CIP) codes used by the post-secondary system. The employment measure identifies business sectors using North American Industry classification System (NAICS) codes. So, although both measures refer to priority areas, they should not be linked.

Endnote O

Percentage of Graduate Students Studying in Priority Areas

The proportion of graduate students studying in priority areas of energy, life sciences, nanotechnology, and information and communications helps show if the province has people with the right skills and knowledge to drive and diversify Alberta's economy.

Programs listed at the graduate level are reviewed as to whether a specialization falls within a given priority area using their 4-digit CIP (Classification of Instructional Programming) code as the primary indicator.

Review of CIP Codes

In 2009-10, the Ministry worked closely with Statistics Canada to review all CIP Canada 2000 (Classification of Instructional Program) codes for programs/specializations offered at universities in Alberta, retroactive to data year 2004-05. Through this review, the allocation of a number of CIP codes were updated to achieve "best fit." Changes to CIP codes could affect the historical data for this measure. Five years of historical data have been reviewed according to the current CIP code assignments to keep all data comparable year-to-year; however, with the new allocation of CIP codes, historical results for this measure in fact did not change, so there was no need to restate historical results.

Endnote P

Alberta Business Expenditures on Research and Development

Industrial Research and Development: Intentions (Catalogue Number: 88-202-XIE) is an annual Statistics Canada survey report that summarizes a suite of measures relating to business expenditures in research and development in Canada.

This annual survey is conducted by Statistics Canada and is aimed at all Canadian industries known to be performing or funding more than $1.5 million in research and development. The survey is mailed to respondents in September each year.

The survey collects a suite of data pertaining to four different calendar years. For example, the 2006 survey (conducted in 2007) collected data on actual research and development spending in 2005 and 2006, on the preliminary figures for 2007, and on the spending intentions for 2008. Because the survey is a continuous, self-reporting process, previous data may be occasionally restated.

From this suite of indicators, the survey data specific to provincial business expenditures on research and development is most easily obtained from the Statistics Canada's CANSIM (Canadian Socio-economic Information Management System) Gross Expenditures of Research & Development (GERD) in Canada series summary tables. This data is officially released by Statistics Canada in late January of each year.

Advanced Education and Technology relies on and accepts Statistics Canada's quality assurance and data accuracy. For further information on methodology, see Statistics Canada's Research and Development in Canadian Industry survey methodology.

National-level data contains data for the two most recent years; however, these are only preliminary estimates (intentions) which have not yet been developed for the provincial/regional level. Consequently, provincial data is reported with a two year time lag.

Endnote Q

Albertans Employed in Priority Areas

Alberta's priority area company employment information comes from Statistics Canada's Labour Force Survey. (See Endnote I for more information on the Labour Force Survey.)

Note that population rebasing for the Labour Force Survey did very slightly affect results for this measure, but changes were too small to be considered significant, so historical results have not been restated.

Priority areas in this measure relate specifically to high-tech industries in a wide range of sectors. Priority area (high-tech) companies are defined by the following North American Industry Classification System (NAICS) codes, chosen by an expert panel of Ministry staff:

- 3254 - Pharmaceutical and Medicine Manufacturing
- 334 - Computer and Electronic Manufacturing
- 3353 - Electrical Equipment Manufacturing
- 3359 - Other Electrical Equipment and Component Manufacturing
- 3364 - Aerospace Product and Parts Manufacturing
- 5112 - Software Publishers
- 5152 - Pay and Specialty Television
- 516 - Internet Publishing and Broadcasting
- 517 - Telecommunications
- 5182 - Data Processing, Hosting, and Related Services
- 5191 - Other Information Services
- 5413 - Architectural, Engineering and Related Services
- 5415 - Computer Systems Design and Related Services
- 5416 - Management, Scientific and Technical Consulting Services
- 5417 - Scientific Research and Development Services
- 6215 - Medical and Diagnostic Laboratories
- 8112 - Electronic and Precision Equipment Repair and Maintenance

Notes: The classification 516-Internet Publishing and Broadcasting has been folded into 5191-Other Information Services. This one change to the organization of the classifications does not affect results for this measure since the data captured for this measure remains unchanged.

The two measures, "Percentage of graduate students studying in priority areas" and "Albertans employed in priority areas" both use the term "priority areas," referring to the four GOA priority areas: bio-industries, energy and environment, health, and technology commercialization. However, the nature of the measures and the data used are different. The graduate student measure identifies fields of study using Classification of Instructional Program (CIP) codes used by the post-secondary system. The employment measure identifies business sectors using North American Industry classification System (NAICS) codes. So, although both measures refer to priority areas, they should not be linked.

Endnote R

Percentage of Canadian Venture Capital Invested in Alberta

Data on Canadian venture capital comes from the VCReporter™ system provided by Thomson Financial, available at **www.canadavc.com**. VCReporter™ is a dynamic database, allowing existing data to be continuously updated: data can be added at a later date, providing more accurate picture of a given period. Data for 2010 were retrieved from VCReporter™ on February 23, 2011 to calculate the percentage of Canadian venture capital funds invested in Alberta's strategic priority areas.

The following parameters are used consistently each year so that results are comparable year to year:

- Data is collected for each quarter of the reporting year.
- Data is collected for **both** new fundings and follow-on fundings.
- Data is collected for the Life Sciences, Information and Communications Technology, and Other Technologies. (i.e. Energy and Environmental, Lighting & Electrical, Media & Entertainment, Other Technologies, and Specialty Chemicals and Advanced Materials)
- Data is not collected for Traditional Industries. (i.e. Consumer Products & Services, Finance, Manufacturing, Miscellaneous, and Retail)
- Data is collected for early stage deals. (i.e. Seed, Start-up, and Other)
- Data is collected for only one set of later stage deals. (i.e. Expansion)
- Data is not collected for all other later stage deals. (i.e. Acquisition/Buyout, Turnaround, and Other Stage)
- Data is collected for all size deals. (i.e. from less than $500,000 through over $5 million)
- Data is collected for all types of investors.

Note: "Canadian Venture Capital" in this measure includes foreign investments. It expresses venture capital investment in Alberta as percentage of all venture capital investment in Canada.

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2011 *(in thousands)*

The following statement has been prepared pursuant to section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Remissions under section 21 of the *Financial Administration Act*	$ 33,378
Compromises under section 22 of the *Financial Administration Act*	9
Write-offs – Implemented Guarantees, Indemnities, Loans and Advances – section 20 of the *Student Financial Assistance Act*	923
Total remissions, compromises and write-offs	$ 34,310

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

for the year ended March 31, 2011 *(in thousands)*

The following has been prepared pursuant to section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Advanced Education and Technology under the *Student Loan Act* for the year ended March 31, 2011, the amounts paid as a result of liability under guarantees, and the amounts recovered on debts owing as a result of payments under guarantees.

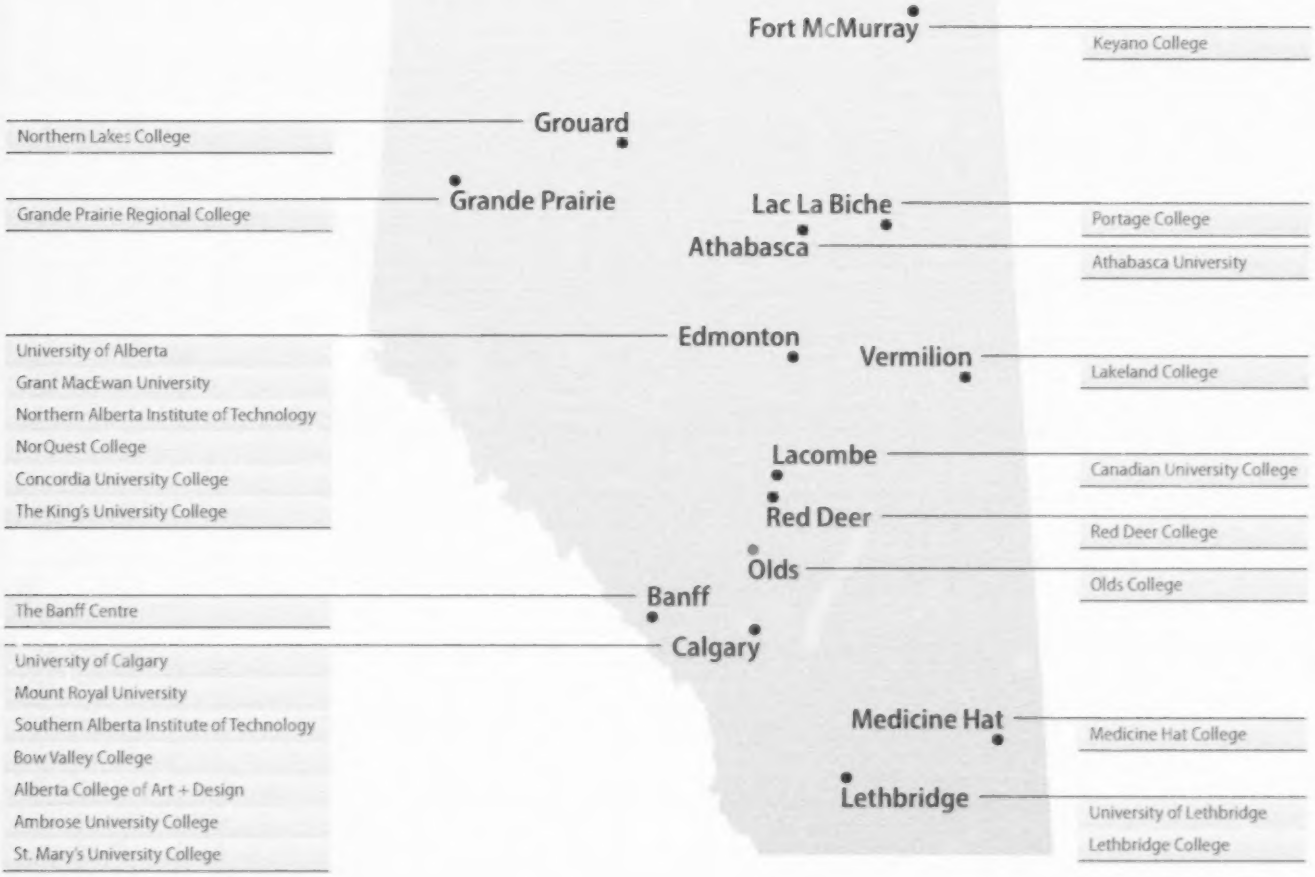
	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ —	197	702

Contact Information

Advanced Education and Technology	aet.alberta.ca
Entities	
Access to the Future Fund	aet.alberta.ca/post-secondary/funding/supportsinstitutions/aff.aspx
Alberta Enterprise Corporation	alberta-enterprise.ca
Alberta Innovates – Bio Solutions	albertainnovates.ca/bio
Alberta Innovates – Energy and Environment Solutions	albertainnovates.ca/energy
Alberta Innovates – Health Solutions	albertainnovates.ca/health
Alberta Innovates – Technology Futures	albertatechfutures.ca
Advisory Boards, Councils and Authorities	
Access Advisory Council	aet.alberta.ca/ministry/agencies/caadvisory/aac.aspx
Alberta Apprenticeship and Industry Training Board	tradesecrets.gov.ab.ca
Alberta Council on Admissions and Transfer	acat.gov.ab.ca
Alberta Research and Innovation Authority	albertainnovates.ca/research
Campus Alberta Quality Council	caqc.gov.ab.ca
Students Finance Board	aet.alberta.ca/ministry/agencies/caadvisory/sfb.aspx
Publicly Funded Post-Secondary Institutions	
Comprehensive Academic and Research Institutions	
University of Alberta	ualberta.ca
University of Calgary	ucalgary.ca
University of Lethbridge	uleth.ca
Athabasca University	athabascau.ca
Baccalaureate and Applied Studies Institutions	
Grant MacEwan University	macewan.ca
Mount Royal University	mtroyal.ca
Polytechnical Institutions	
Northern Alberta Institute of Technology	nait.ca
Southern Alberta Institute of Technology	sait.ca
Comprehensive Community Institutions	
Bow Valley College	bowvalleycollege.ca
Grande Prairie Regional College	gprc.ab.ca
Keyano College	keyano.ca
Lakeland College	lakelandcollege.ca
Lethbridge College	lethbridgecollege.ca
Medicine Hat College	mhc.ab.ca
NorQuest College	norquest.ab.ca
Northern Lakes College	northernlakescollege.ca
Olds College	oldscollege.ca
Portage College	portagecollege.ca
Red Deer College	rdc.ab.ca
Specialized Arts and Culture Institutions	
Alberta College of Art + Design	acad.ab.ca
The Banff Centre	banffcentre.ca
Independent Academic Institutions	
Ambrose University College	ambrose.edu
Canadian University College	cauc.ca
Concordia University College	concordia.ab.ca
St. Mary's University College	stmu.ab.ca
The King's University College	kingsu.org

Publicly Funded Post-Secondary Institutions

Main Campuses



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